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Supreme Court, U. S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

No. 73-147

TECHNOGRAPH PRINTED CIRCUITS, LTD. and
TECHNOGRAPH PRINTED ELECTRONICS, INC.,

Petitioners,

v.

MARTIN-MARIETTA CORPORATION,
WESTINGHOUSE ELECTRIC CORPORATION,
McDONNELL AIRCRAFT CORPORATION and
INTERNATIONAL TELEPHONE & TELEGRAPH CORPORATION,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

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TABLE OF CONTENTS

	PAGE
Opinions Below	1
Jurisdiction	2
Questions Presented	2
Question No. 1	2
Question No. 2	2
Question No. 3	3
Question No. 4	3
Constitutional Provision and Statutes Involved	4
Statement of the Case	4
The Blonder-Tongue Decision	4
The Bendix Litigation	6
The Court of Claims Litigation	6
The Chicago Class Actions	7
The House of Lords Decision	9
The Instant Case (Westinghouse)	9
Reasons For Granting the Writ	23
As to Question No. 1	23
As to Questions Nos. 2, 3 and 4	24
Conclusion	26

Cases Cited

PAGE

Technograph Printed Circuits Ltd., et al. v. Bendix Aviation Corporation, 218 F.Supp. 1 (D. Md.), aff'd 327 F.2d 497 (Fourth Cir.), cert. den. 379 U.S. 826 ..... *passim*

Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation, 402 U.S. 313 ..... *passim*

Bourns, Inc. and Marland E. Bourns v. Allen Bradley Company (C.A. 7, June 14, 1973) 2, 23, 24

Graham v. John Deere, 383 U.S. 1 ..... 3, 5, 14, 16, 22, 25

Mills & Rockley (Electronics) Limited v. Technograph Printed Circuits, Limited, House of Lords February 24, 1971 ..... 9, 13, 19, 20, 21, 22, 23, 25, 26

Mineral Separation v. Hyde, 37 Supreme Court Reporter 83 23

Technograph Printed Circuits, Ltd., et al. v. Methode Electronics, Inc., et al., 174 U.S.P.Q. 197 (N.D. Ill. 1972) 7

APPENDIX

PAGE

United States Constitution, Art. I § 8, Cl. 8 ..... A-1

35 U.S. Code, Section 103 ..... A-1

35 U.S. Code, Section 282 ..... A-1

Technograph Printed Circuits, Ltd., et al. v. *Martin-Marietta, et al.* (Westinghouse case), District of Maryland, Opinion of Watkins, J. A-2

Technograph Printed Circuits, Ltd., et al. v. *Martin-Marietta Corp., et al.* (Westinghouse case) (C.A. 4), 474 F.2d 798 ..... A-33

Portions of Opinion in *Technograph Printed Circuits, Ltd., et al.* v. *The Bendix Corporation*, District of Maryland, Watkins, J. A-47

Bourns Inc., et al. v. *Allen Bradley, et al.* (C.A. 7, June 14, 1973) A-51

Judgment, Court of Appeals for the Fourth Circuit.. A-65

Order Extending Time For Filing A Petition For A Writ Of Certiorari A-66

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

Petitioners respectfully pray that a writ of certiorari issue to review the judgments entered on February 20, 1973 by the United States Court of Appeals for the Fourth Circuit.

Opinions Below

The opinion of the Court of Appeals for the Fourth Circuit in this case is reported at 474 F2d 798 (A-33)* (hereinafter "Westinghouse"). The opinion of the district

* Citations to the appendix at the back of this petition are designated by "A" and page number; emphasis supplied throughout unless otherwise indicated.

court of Maryland is reported at 340 F.Supp. 423 (A-2). The Opinion in the case of *Technograph Printed Circuits Ltd., et al.* v. *Bendix Aviation Corporation* is reported at 218 F.Supp. 1 (portions of the opinion, A-47-50) (D. Md. 1963), aff'd 327 F.2d 497 (Fourth Cir. 1964), cert. den. 379 U.S. 826, 85 S. Ct. 53, 13 L.Ed (2nd) 36 (1964) (hereinafter "*Bendix*").

Jurisdiction

The judgments of the Court of Appeals were entered on February 20, 1973 (A-65). This Court by order of Chief Justice Burger entered an order on April 23, 1973 extending petitioners' time to file this petition for a writ of certiorari to and including July 20, 1973 (A-66). This petition is being filed by that date. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

Questions Presented

1. Under *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 ("*Blonder-Tongue*"), are claims of the '697 patent *not* adjudicated in *Bendix*, the earlier case, barred by collateral estoppel in the current case, against different defendants?

The Seventh Circuit in a like case has held "No".* The Fourth Circuit in this case has held "Yes".**

2. Did the courts below, in paying lip service to *Blonder-Tongue*, in substance disregard its mandate to allow a trial on the merits in the interests of justice and equity, against

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* *Bourns, Inc. and Marlan E. Bourns* v. *Allen-Bradley Company* (C.A. 7, June 14, 1973) (A-51).

** *Technograph Printed Circuits, Ltd. et al.* v. *Martin-Marietta Corporation, et al.* (C.A. 4, February 20, 1973), 474 F.2d 798 (A-33).

different defendants, where in the earlier suit (*Bendix*) invalidating '697 patent claims, the courts "wholly failed to grasp the technical subject matter and issues in suit" as to '697; e.g.

(a) the district court now acknowledges that in *Bendix* it erroneously believed that the prior art anticipated the claims of '697;

(b) the Fourth Circuit now acknowledges that there was no anticipation and that it should not have but yet, in fact, it did rely upon the erroneous holding of anticipation in finding obviousness in *Bendix;*

(c) the courts in *Bendix* were disabled from applying the standards of *Graham* v. *John Deere*, 383 U.S. 1, by their erroneous premise that there was anticipation; thus the Courts in *Bendix* could not determine, as to '697, the "scope and content of the prior art", the "differences between prior art and the claims in isue" and the "level of ordinary skill in the pertinent art" all as required by *Graham* (p. 17); and

(d) the courts in *Bendix* overlooked the fact that a cited patent, Norris '203, the equivalent of the only other art relied upon in *Bendix*, absent anticipation, must have been considered and rejected by the patent examiner, thus strengthening the presumption of validity of '697?

3. Since defendant Bendix and its counsel (also counsel for Westinghouse in the instant case) and a third party suppressed crucial evidence objectively persuasive that '697 was not obvious, not discovered until after the *Bendix* decision, does not *Blonder-Tongue*, in the interests of procedural due process, require that plaintiffs have another opportunity to prove the patent's validity, against different defendants?

4. Subsequent to *Bendix*, the House of Lords of England unanimously sustained a related patent derived from

the same specification as '697, casting serious doubt on the correctness of the *Bendix* decision as to '697; under such circumstances, does not sound judicial policy indicate that *Bendix* should not bar a further determination against different defendants?

Constitutional Provision and Statutes Involved

This case involves Article I, Section 8, Clause 8 of the Constitution (A-1); Section 103 of the Patent Act of 1952, 35 U.S.C. § 103 (A-1); and Section 282 of that Patent Act, 35 U.S.C. § 282 (A-1).

Statement of the Case

The plaintiffs in this action to declare Eisler United States Patent No. 2,706,697 ('697) valid and infringed are Technograph Printed Circuits, Ltd. and Technograph Printed Electronics, Incorporated, the owner of and exclusive licensee under '697. The named defendants are all alleged infringers of method claims 4 and 10-14 inclusive of '697, the only patent here in issue. Patent '697 expired on April 14, 1972.

The Blonder-Tongue Decision.

In *partially* overruling *Triplett* v. *Lowell*, 297 U.S. 638 this Court, in *Blonder-Tongue* v. *University Foundation*, 402 U.S. 313, held that a plea of estoppel must not "automatically be accepted" (332) but that "the Court in the second litigation must decide in a principled way whether or not it is just and equitable to allow the plea of estoppel in the case before it" (p. 334). Since the legal standard set forth in *Blonder-Tongue* is critical to this case, a direct quotation follows (332-334, footnotes omitted):

> "Moreover, we do not suggest, without legislative guidance, that a plea of estoppel by an infringement or royalty suit defendant must automatically be accepted

once the defendant in support of his plea identifies the issue in suit as the identical question finally decided against the patentee or one of his privies in previous litigation. Rather, the patentee-plaintiff must be permitted to demonstrate, if he can, that he did not have 'a fair opportunity procedurally, substantively and evidentially to pursue his claim the first time.' Eisel v. Columbia Packing Co., 181 F. Supp. 298, 301 (Mass. 1960). This element in the estoppel decision will comprehend, we believe, the important concerns about the complexity of patent litigation and the posited hazard that the prior proceedings were seriously defective.

"Determining whether a patentee has had a full and fair chance to litigate the validity of his patent in an earlier case is of necessity not a simple matter. In addition to the considerations of choice of forum and incentive to litigate mentioned above, certain other factors immediately emerge. For example, if the issue is nonobviousness, appropriate inquiries would be whether the first validity determination purported to employ the standards announced in Graham v. John Deere Co., supra; whether the opinions filed by the District Court and the reviewing court, if any, indicate that the prior case was one of those relatively rare instances where the courts wholly failed to grasp the technical subject matter and issues in suit; and whether without fault of his own the patentee was deprived of crucial evidence or witnesses in the first litigation. But as so often is the case, no one set of facts, no one collection of words or phrases, will provide an automatic formula for proper rulings on estoppel pleas. In the end, decision will necessarily rest on the trial courts' sense of justice and equity.

"We are not persuaded, therefore, that the Triplett rule, as it was formulated, is essential to effectuate the purposes of the patent system or is an indispensable or even an effective safeguard against faulty

trials and judgments. Whatever legitimate concern there may be about the intricacies of some patent suits, it is insufficient in and of itself to justify patentees relitigating validity issues as long as new defendants are available. This is especially true if the court in the second litigation must decide in a principled way whether or not it is just and equitable to allow the plea of estoppel in the case before it."

The Bendix Litigation.

The same plaintiffs previously sued Bendix Aviation Corporation in the Fourth Circuit on three patents.

In *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corporation*, 218 F. Supp. 1 (D. Md. 1963, Watkins, J.), affirmed 327 F2d 497 (C.A.4, 1964), cert. den. 379 U.S. 826 (1964) (*Bendix*), the district court's decision on certain claims of all three patents to wit, '960, '165 and '697 (claims 4, 5, 10, 14, 15 and 16), holding the same invalid and not infringed, was affirmed by the Fourth Circuit, in a one sentence opinion, only on a holding of obviousness:

> "After careful consideration of the record, the arguments and the briefs of counsel, we are persuaded that the patent claims are invalid for *obviousness in the* light of the prior art for the reasons fully discussed in the opinion of the District Court. (Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp., D.C. Md., 218 F. Supp. 1)."

Claims 11, 12, and 13 of patent '697 were not adjudicated.

The Court of Claims Litigation.

The status of plaintiffs' case against the United States Government in the United States Court of Claims follows. After denial of a motion for summary judgment (372 F.2d 969) based on *Triplett* v. *Lowell*, 297 U.S. 638, that case was tried on the merits of patent '697 before Commissioner Lane, who had been assigned to the case for seven years.

During the briefing stage, the Department of Justice, defendant's counsel, recommended Commissioner Lane for appointment to a judgeship of the United States Court of Customs and Patent Appeals; appointment followed. At that stage Commissioner Davis was assigned the case and rendered a report on the record to the Court of Claims (164 USPQ 584 1970) recommending that claims 4, 10, 13 and 14 of patent '697 are invalid on the grounds that under 35 U.S.C. § 112 the specification did not disclose the metallic resist claims and that the claims are obvious under 35 U.S.C. § 103. The parties then briefed the issues to the Court of Claims and presented oral argument. *Blonder-Tongue* was then decided and briefed to the Court. That matter is still *sub judice*.

The Chicago Class Actions.

After the Seventh Circuit reversed (356 F.2d 442), a grant of summary judgment for defendants and under *Triplett* ordered a trial on the merits, a class action covering over 200 companies was established for discovery and trial on the issues of validity and alleged unenforceability. During discovery, plaintiffs voluntarily dismissed with prejudice, as to patents '165 and '960. Trial on the merits of claims 4 and 10 through 14 of patent '697 took about four weeks and was followed by extensive agreed findings, proposed findings, conclusions of law and voluminous briefs. Oral argument before Judge Will in the Northern District of Illinois, Eastern Division was postponed pending the decision in *Blonder-Tongue*. After *Blonder-Tongue* and after the decision by Judge Watkins in *Westinghouse*, Judge Will wrote a brief memorandum opinion sustaining the pleas of estoppel, based on *Bendix* under *Blonder-Tongue*, *Technograph Printed Circuits, Ltd., et al.* v. *Methode Electronics, Inc., et al.*, 174 U.S.P.Q. 197 (N.D. Ill. 1972).

Judge Will for all practical purposes accepted Judge Watkins' analysis at face value, denying plaintiffs' motion

for leave to file a brief addressed to Judge Watkins' opinion in *Westinghouse*. Judge Will, on plaintiffs' motion to file a brief (3/29/72) stated:

> "No, I think the place to get Judge Watkins reversed is not in the Northern District of Illinois. That is what you are really asking. You are asking that I hold a hearing which would, in effect, be a review of Judge Watkins' decision. I am not going to do that." (p. 3)
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> * * *
>
> "On the other hand, it seems to me it might be appropriate to decide, let all these cases be available for review at the Supreme Court level if they are going to be, and just enter a very short opinion saying for the reasons set forth in Judge Watkins analysis of the application of Blonder-Tongue to the Bendix case, which he finds was a full and fair opportunity to present all the issues as to the validity of the patent involved in the case, I apply Blonder-Tongue and grant the motions to dismiss." (pp. 4-5)
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> * * *
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> "It occurs to me that even from the point of view of getting certiorari granted, it would be better to have all these cases at the Court of Appeals level, or Court of Claims level, which is equivalent, than to have some of them sitting in the district court pending some kind of disposition in some other case some other place." (p. 6)
>
> * * *

Clearly, Judge Will did not personally intend to review Judge Watkins' decision for any error but intended any substantive review to take place at the Court of Appeals and Court of Claims level.

The appeal in the Seventh Circuit on the issue of *Blonder-Tongue's* application was argued on June 11, 1973 and is *sub judice*.

The House of Lords Decision.

The House of Lords on February 24, 1971 in *Mills & Rockley (Electronics) Limited* v. *Technograph Printed Circuits Limited* unanimously held Eisler's British patent No. 639,178 valid and infringed. British patent No. 639,178 involved Eisler's "print and etch" technique which is close to his American patent '165, which is no longer in issue here. Both the British patent and all three American patents, including '697, were derived from the same complete specification. British patent No. 639,178 is much broader and less strong than patent '697 in issue; '697 is denominated as "print, plate and metallic etch resist".

The Instant Case (Westinghouse).

Judge Watkins, who decided *Bendix*, also decided the instant case. He held that *Bendix* barred any trial, against different defendants, on '697, both as to claims adjudicated (4, 5, 10, 14-16), and those not adjudicated (11, 12, 13), in *Bendix*. The Fourth Circuit affirmed.*

Patent '697, called print, plate and metallic etch resist, discloses a novel method of manufacturing bimetallic conductive pathways for electrical components (A-37, fn.). A *negative* ink resist representation is applied to foil clad insulated surface and serves as a *plating* resist (as opposed to etching resist), by preventing a different metal from being deposited on the foil surface covered by the imprint during the operation of adding a dissimilar metal to the foil;** to add the dissimilar metal, the negative imprinted foil is placed in an electroplating bath*** and a dissimilar metal, e.g. silver, is selectively plated onto the *exposed* foil,

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* The Court of Appeals, characterizing Judge Watkins' discussion about possible indefiniteness, including any claim of nondisclosure, as "dictum", held that such matters were not in issue, and that the only issue was whether the plaintiffs were estopped under *Blonder-Tongue* from litigating the question of obviousness of '697 (A-40).

** foil is foil clad insulation in this discussion.

*** one technique.

e.g. copper. At the time of plating, the foil constitutes a single, continuous conductive cathode to connect the areas segregated by the imprint for the plating operation. The negative imprint serves as a plating resist which limits the electrodeposition to the *wanted* areas of the foil which are *unprinted*. Following the electrodeposition step, the plating resist is removed thereby exposing the *un*wanted areas of the foil. At that time, the piece is then ready to be placed in an acid bath for etching; it consists in certain areas of exposed foil that is *un*wanted and to be removed during the etching operation and in other areas of foil covered by a dissimilar metal to become the conductive pathway pattern. The piece is then placed in an acid bath which attacks the *exposed* foil but not the foil covered by the dissimilar electrodeposited metal, resulting in the *desired plated foil conductors* which are bimetallic (silver on copper), on an insulation back. In this last step the dissimilar metal serves as an *etching resist* during the etching operation. It is also called a "two resist" process, combining in the unique manner above described an "ink" plating resist and a "metal" etching resist. The dissimilar metal that is added protects the foil it covers during the etching operation, therefore the name, too, "metallic resist". The added dissimilar metal with the foil it protected results in a bimetallic conductive pathway.

1. The courts below now concede (A-41, 24) that in *Bendix*, the District Court erroneously held that the Stevens and Dallas patent application taught the metallic resist process, anticipating Eisler's '697 patent. The inescapable consequence is that that error fatally infected with error the determination by the Court of Appeals in *Bendix* affirming the District Court's conclusion that '697 was invalid as obvious. This is evident from the Court of Appeals' own opinion below: quoting with approval from the *Bendix* District Court's opinion language pertaining to the then supposed anticipation—"the ability of persons unaware of the alleged inventions *to reach the same result by the same means*" (A-42)—the Court of

Appeals relied upon that language as showing that the District Court understood and decided correctly the issue of obviousness (A-42):

> "This court is satisfied that the just quoted language from *Bendix* shows that the district court did consider the level of ordinary skill in the art in determining that Eisler's patent '697 was invalid for obviousness . . ."

The Fourth Circuit, its stated position to the contrary, did in fact demonstrate that it relied upon the erroneous holding of *anticipation* in *Bendix* in affirming the district court in *Bendix* that " '697 was invalid for obviousness."

2. Apart from Stevens and Dallas, which the courts below now concede did not teach the metallic resist process, the only other electrical art patent relied upon by the district court in *Bendix* as teaching metallic resist of '697 was Whilems (A-47-48). It is now in substance conceded by them that Whilems did not teach the metallic resist process.*

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* Even though the trial court in *Bendix* properly quoted a phrase from the specification of Whilems, that phrase, when read in the context of the full specification fails to teach metallic resist. Judge Watkins impliedly acknowledged the correctness of plaintiffs' point and his confusion in *Bendix* by stating in *Westinghouse*: "*It is true that the reference is in connection with an insulating sheet.*" Judge Watkins implicitly concedes that in *Bendix* he erroneously believed that the matter quoted from Whilems referred to a starting surface that was metal over insulation, whereas in fact it refers to insulation without metal. Judge Watkins failed to understand that Whilems did *not* teach metallic resist. It is now undisputed that in Whilems, there was no second metal, no dissimilar metal, no two-resist process and no metallic resist.

Judge Watkins in *Westinghouse* further demonstrated his confusion over Whilems by stating that Whilems was "significant" because it taught (i) a negative representation, (ii) a positive print and etch technique, and (iii) "the protection of the resist" by use of greasy inks (A-25-26); all of the above having nothing to do with the measure of the '697 advance, to wit, the added dissimilar metal acting as a metallic etching resist during the etching operation. The learned judge believes that Whilems' significance lies in teachings completely unrelated to what makes '697 inventive.

Without Stevens and Dallas and Whilems, there are *no* prior art references in the electrical art teaching metallic resist and Stevens and Dallas and Whilems, the only two electrical art patents relied upon in *Bendix* in holding certain claims of '697 obvious, were in substance no more pertinent than the art cited against '697 by the Examiner in allowing the patent.

The Fourth Circuit as part of a footnote states (A-41, fn. 12):

> "[plaintiffs] merely assert that [the district court in *Bendix*] misread *two of the numerous patent documents* discussed in the opinion. Surely, even if this were so, it would not be a case where a judge 'wholly fails to grasp the technical subject matter and issues in suit.'"

The above quote demonstrates emphatically that the Fourth Circuit in *Westinghouse* still fails to recognize the impact of the district court's misreading of Stevens and Dallas and Whilems as teaching metallic resist when in fact they did not. The Fourth Circuit attempts to brush this aside by saying plaintiffs "merely assert that he misread *two* of the numerous patent documents"; it so happens that those *two* patents were the *only two prior electrical art patents* relied upon by Judge Watkins in *Bendix* in connection with '697. Without Stevens and Dallas and Whilems, there are *no* patents in the electrical art that are pertinent to '697.

The Court of Appeals stated that:

> "Whilems, the Stevens and Dallas application, and Eisler all concerned themselves with the use of various printing and engraving techniques to make electrical *circuits*" (A-41).
>
> * * * *
>
> "Patent '697 describes what is called the metallic resist process for the manufacture of printed electrical

circuits. The process starts with an insulation-backed metal foil. A negative *circuit* imprint is made on the foil in acid resistant ink" (A-34-35, fn. 1).

This description contains a double error, as a reading of the patents will show. Stevens and Dallas and Whilems were not concerned with making electrical "circuits" and patent '697 was not limited to electrical "circuits." Stevens and Dallas related to an *electrode* for use in moisture register equipment; Whilems related to a method of producing a mosaic screen. Patent '697 related to the manufacture of a "*component* of electric and magnetic circuit systems" and did not provide for a "negative *circuit* imprint" but "a negative representation of the pattern" (Claim 10 of '697; A-37, fn.).*

Moreover, by lumping "Whilems, the Stevens and Dallas application, and Eisler" as relating to the "use of various printing and engraving techniques to make electrical circuits", the Court of Appeals demonstrates that it did not distinguish between the "print and etch" of Stevens and Dallas, Whilems and Eisler '165 on the one hand and, on the other, Eisler's print, plate and metallic etch resist in patent '697. It is undisputed that "print and etch" is irrelevant and immaterial to Eisler's '697. To equate the "use of various printing and engraving techniques" of Stevens and Dallas and Whilems with Eisler's '697 is to ignore the basic differences in the teachings.

3. The courts in *Bendix*, because of their erroneous belief that '697 was anticipated, were in fact disabled from

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* Two of the three Eisler patents in *Bendix* were limited to electrical circuits and print and etch techniques, to wit, patents '165 and '960, but not '697, in issue here. Likewise, the claims in issue on Eisler's English print and etch patent before the House of Lords were limited to manufacture of "interconnecting networks" or electrical "*circuits*". The Fourth Circuit's erroneous premise as to Stevens and Dallas and Whilems results in its confusion about the House of Lords decision.

applying the standards of *Graham* v. *John Deere*. Thus, they failed to grasp the "scope and content of the prior art" as to '697, (*Graham*, p. 17) in that they believed that Stevens and Dallas and Whilems, taught the critical element in '697, to wit, metallic resist, when in fact they did not. The courts in *Bendix* were unable to determine the "differences between prior art and the claims at issue" on '697 (*Graham*, p. 17) because of their basic misunderstanding of Stevens and Dallas and of Whilems. Moreover, the Fourth Circuit in *Bendix* had a blind spot in attempting to resolve the "level of ordinary skill in the pertinent art" (*Graham*, p. 17) as to '697 because, as clearly appears in its opinion below the Court of Appeals relied on the *Bendix* District Court's erroneous holding of *anticipation* (A-42) in determining "the level of ordinary skill in the art in determining that Eisler's patent '697 was invalid for obviousness . . ." (A-42). "Against this background, the obviousness or non-obviousness of the subject matter is determined" (*Graham* at 17). Where, as here, the background is so completely misunderstood, the result must be faulty, demonstrating "that the prior proceedings were seriously defective" (*Blonder-Tongue*).

The Court of Appeals now adopts plaintiffs' position that Stevens and Dallas and Whilems did not teach metallic resist but fails to draw the only logical conclusion therefrom, that is, that the courts in *Bendix* could not and did not, based on their erroneous views of the prior art, give the plaintiffs a full and "fair opportunity . . . *substantively* . . . to pursue their claim the first time" (*Blonder-Tongue*), as to '697.

4. After the elimination of Stevens and Dallas and Whilems, the only patents relied upon in connection with '697 by the district court in *Bendix* were patents in the non-related arts of making printing plates and ornamenting metals, to wit, Newton, Stubbles, McFarland, Dejey and Payne (A-48). But the *Bendix* courts did not appreciate

that the teaching of all of the above patents was contained in Norris '203 which was cited by the patent examiner against '960; and patent '960 was cited in connection with the prosecution of '697, thereby making it a virtual certainty that the patent examiner considered and rejected the equivalent of those patents in the prosecution of '697. The patent examiner who approved the issuance of '697 had earlier approved the issuance of '960.

Thus, all the prior art relied upon by the *Bendix* district court as to '697 was either not pertinent or the equivalent of the same was considered and rejected by the patent examiner. Moreover, it was not obvious for a person of ordinary skill in the electrical art in 1943 to look to the art of making printing plates and ornamenting metals to adapt the metallic resist process to the making of bimetallic conductive pathway patterns in the electrical arts. That was so since prior to Eisler, inventors in the electrical art, who were beyond ordinary skill, *failed* to look to the issued patents of Newton, *et al.*, in the non-related art and failed to achieve the metallic resist process taught by Eisler in '697.

5. Moreover, plaintiffs were deprived in *Bendix* of evidence crucial to the issue of whether '697 was obvious; *viz.* the Rubin notes.

The courts below clearly erred in ruling that the Rubin notes were (a) not crucial evidence, and (b) that plaintiffs, though deprived of them, were not without fault.

(a) The Court of Appeals stated (A-44, footnote 21) that Rubin was a witness and the notes were before Commissioner Davis in the Court of Claims, that plaintiffs argued from Rubin's failure to the non-obviousness of '697, and that Commissioner Davis recommended, nevertheless, that '697 was obvious. But the Court of Claims has not yet acted on Commissioner Davis' recommendation which we submit flowed from the learned Commissioner's confu-

sion about the art. Thus, e.g. Commissioner Davis erred on the critical part of '697, to wit, metallic resist, in that he erroneously held that Rubin used "metal resists" (164 U.S.P.Q. at 590); in fact, Rubin's notes and file demonstrate that Rubin *missed* using metal as an etching resist.*

The Fourth Circuit further held that the Rubin evidence was "cumulative" and of a "secondary character". However, the Rubin notes instead of being considered merely under "secondary considerations . . . failure of others, etc. . . ." in *Graham* should have been considered under *Graham's* primary criterion, to wit, "the level of ordinary skill in the pertinent art" *Graham* at 17. We note that Commissioner Davis in his recommendation cited Rubin in this very connection (164 U.S.P.Q. at 590):

> "This conclusion is buttressed by evidence of the *level of ordinary skill* in the art at the time Eisler made his inventions. Milton D. Rubin, a witness at trial, is an electrical engineer who, in the early 1940's, worked on processes to make printed circuits and electrical components."

Rubin's notes related directly to "evidence of the level of ordinary skill in the art at the time Eisler made his inventions", a matter of primary importance under *Graham* v. *Deere*.

Moreover, the district court in *Westinghouse* shows the importance of such evidence as Rubin's notes, with this query in another context: "Is not the level of ordinary skill in the art demonstrated by the actual accomplishments of the art?" (A-14) Rubin's notes show that an inventor, who is beyond the ordinary skill in the art, although working

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* Moreover, Commissioner Davis also erred when he held that Littledale taught "metal deposition to form a metal resist" (Finding 23).

Thus Commissioner Davis doubly erred on his *only* references in the *electrical art* in holding that Rubin and Littledale used metal resists, when in fact they did not.

for over two years and attempting to achieve what Eisler achieved, and during the course of his experiments having before him every item that could have led by a proper combination to the Eisler metallic etch resist process of '697, missed it.

To further demonstrate the Fourth Circuit's inconsistency in treating Rubin's skilled failure as merely a *secondary* consideration, we note that the Fourth Circuit used the same test as a *primary* consideration when it *erroneously* stated (A-42) that there was an "ability of persons unaware of the alleged invention ['697] to reach the *same results by the same means* . . .".

The Fourth Circuit erroneously believed Rubin was cumulative only because it erroneously believed others reached "the same results by the same means" (A-42). The erroneous holding that Rubin was merely cumulative is a further demonstration that the Fourth Circuit did not understand the scope and content of the prior *electrical* art. No one in the electrical art even came close to Rubin and yet Rubin (later than '697) represented a near but fatal miss as to Eisler's '697.

(b) Without fault of his own, the patentee was deprived of the crucial Rubin evidence in the *Bendix* trial. It is undisputed that Bendix counsel had copies of the Rubin notes in their possession at least as early as December 30, 1960. Bendix counsel in their bill to Bendix dated December 30, 1960 stated:

> "*Detailed examination* of records and conferences with Milton Rubin and Elmer Gorn [Rubin's patent attorney in 1943] in Boston, Mass. leading to the discovery of evidence believed sufficient to establish prior invention of the dissimilar metal resist process by Rubin."

In their February 1961 supplemental answer to plaintiffs' interrogatory, defendant Bendix stated:

> "More specifically the subject matter of claims 4, and 10 through 16, of Eisler patent 2,706,697 was con-

> ceived by Rubin at least as early as September of 1943 and reduced to practice by Rubin at least as early as December of 1943. . . . The Rubin invention was made the subject matter of a patent application which was filed on April 5, 1944, and issued as United States patent 2,443,119 on June 8, 1948 . . ."

Accordingly, Bendix counsel erroneously believed as of February 1961 that everything that was in Rubin's September 1943 notes and file was in his patent application and patent and that Rubin's patent covered the dissimilar metal resist process. Bendix's answer to the interrogatories was not factually accurate, even though the error may have been innocent. The answer to those interrogatories was never modified or corrected. Plaintiffs relied on that. Were plaintiffs "at fault" for relying upon a misstatement of fact by Bendix? We think not. The fault lies with Bendix in giving an erroneous answer, even if innocently.

At the conference with Rubin on September 5, 1961, "Rubin informed the plaintiffs that if they wanted him to search his files for such information, he would have to be paid" (*Westinghouse*, A-44). The Court of Appeals also stated (A-44, fn. 23):

> "Bendix's counsel obviously had seen the Rubin notes by January 1961, possibly in September, 1960, when he examined Rubin's materials . . ."

Therefore Rubin withheld from plaintiffs the fact that he had already given to defendant Bendix his notes or a copy thereof and that they could get a copy simply by asking Bendix. Rubin made it seem as though he would have to search his file for notes, when he had already permitted Bendix to make the inspection, and in fact did not bring his notes to the conference and then *misstated* to the plaintiffs that all he could locate was a few samples of coil patterns.

The Court of Appeals states (A-45): "Additionally, plaintiffs have offered no plausible excuse whatsoever for their failure to take the discovery deposition of Rubin." We submit the above analysis fully answers that point. Rubin's misstatement of the facts to plaintiffs, although not under oath, misled plaintiffs. In any event, Bendix's answer to the interrogatories was under the Federal discovery rules and it misstated the facts enough to throw plaintiffs off.

6. Subsequent to *Bendix*, the House of Lords of England unanimously sustained a related patent derived from the same specification as '697, casting serious doubt on the correctness of the *Bendix* decision as to '697.

British patent, No. 639,178 embodied Eisler's "print and etch" technique which is close to Eisler's American patent RE '165. It is much broader than, and not as strong as, '697 because the prior *electrical art* cited against it included the U.S. patent to O'Connell which described a print and etch technique, whereas there were *no prior art electrical* patents that described the print, plate and metallic etch resist technique of Eisler's '697 process.

After *Bendix* the British trial court found patent '178 valid* but not infringed. The Court of Appeal (three justices) unanimously held that the patent was both valid and infringed. The House of Lords (four lords participating) unanimously affirmed.

The House of Lords specifically held that the patent was *not obvious;* in so doing, it stated (Lord Reid):

> "To whom must the invention be obvious? It is not disputed that the hypothetical addressee is a

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* The English Trial Court decision made reference to O'Connell, Whilems, Littledale, Parolini, Paragon, Zwick, Wermine, Ducas and others; *Technograph Printed Circuits Ltd.* v. *Mills & Rockley (Electronics) Ltd.*, 12 R.P.C. 331.

skilled technician who is well acquainted with workshop technique and who has carefully read the relevant literature. He is supposed to have an unlimited capacity to assimilate the contents of, it may be, scores of specifications but to be incapable of a scintilla of invention. When dealing with obviousness, unlike novelty, it is permissible to make a 'mosaic' out of the relevant documents, but it must be a mosaic which can be put together by an unimaginative man with no inventive capacity.

* * *

But the question is not whether it is now obvious to the Court (or to the jury) but whether at the relevant date it would have been obvious to the unimaginative skilled technician. A thing which now seems obvious to anyone may at that date have been far from obvious to him. In this case he would have been faced with a large variety of different methods, none of which had proved commercially useful. He would have had no assurance that any successful solution was possible, *still less would he have known in what direction to look for it.*

* * *

"Indeed, I think it very unlikely that the uninmaginative technician would have been led to the present invention by a study of O'Connell.

Lord Wilberforce:

". . . I adopt the description of the 'invention' of Lloyd-Jacob J.—'It lies in the application to the 'production of such panels' of the well-known methods of the printing art to make an imprint upon 'a plane surface, and producing the required *conductor network* from 'such imprint by (for the present purposes) 'etching the foil where it "was not covered by the print." This comparatively simple formula describes what has undoubtedly brought about a manufactur-

ing revolution. One has only to contrast an old fashioned radio or television set with its complicated three-dimensional network of wiring (point to point) with the clean two-dimensional elegance of the printed circuit to see how complete this was."

"As with many method inventions which ultimately constitute a breakthrough in an art, many, if not most, of the separate elements which are combined in the final process had been individually suggested by workers in the field, and in some cases tried out with partial success, the contribution of the patentee lying in an insight as to *the right combination.*"

Lord Diplock:

"The commercial success of printed circuits made by the method claimed in the patent has been enormous. Their introduction on a commercial scale in 1953 has resulted in a revolutionary change in the technique of assembling radio and television sets. It has replaced other methods of making the electrical connections in about 85 per cent of the total production of this great industry.

"The method claimed in the specification is as simple as it was successful.

* * *

"It [O'Connell] had nothing to do with electric circuits connecting different components of an electrical instrument or device.

* * *

". . . Once an invention has been made it is generally possible to postulate a combination of steps by which the inventor might have arrived at the invention that he claims in his specification if he started from something that was already known. But it is only because the invention has been made and has proved successful that it is possible to postulate from what starting

point and by what particular combination of steps the inventor could have arrived at his invention."

The English decisions determined the scope and content of the prior art, the differences between the prior art and the claims there in issue and resolved the level of ordinary skill in the art as per the test in *Graham* v. *John Deere*.

The Court of Appeals stated that it agreed with the District Court's analysis of the House of Lords decision. The reasons given by Judge Watkins for rejecting the House of Lords decision are without support. They are set forth at A-28-31 and we comment on them *seriatim* in the footnote hereto.*

---

* (1) Judge Watkins says he disagrees with the English analysis of O'Connell but doesn't specify wherein that analysis is at fault. (2) He notes that the House of Lords did not discuss certain enumerated patents, i.e., Stevens and Dallas, or *Bendix*, but the English courts did discuss O'Connell and the pertinent art; O'Connell, like Stevens and Dallas, was print and etch for electrical *components* (not *circuits*, contra Court of Appeals). (3) Judge Watkins relies on the failure of defendant in the English case to produce expert testimony but elsewhere in his opinion (A-17), the learned court notes that such testimony "is not necessary". (4) Contrary to his intimation, the House of Lords did not accept proponent's expert's testimony without scrutiny and independent consideration of the art. (5) Judge Watkins expresses "grave doubt" that the Lords appreciated "what the English patent was 'all about' ", but doesn't point to any errors in the English decision, in contrast (with deference) to his own failures, e.g. to understand Stevens & Dallas or Whilems. (6) His Honor doubts plaintiffs would accept the determined scope of '178 but that is immaterial to the '697 issue at bar. (7) Contrary to the *Westinghouse* opinion, plaintiffs' withdrawal of '960 and '165 and counsel's quoted statement are not fairly to be characterized as "practically admitting their invalidity". Counsel considered '960 and '165 to be not as strong as '697 and wanted the courts to consider the merits of '697 unclouded by attacks on the related patents. (8) Contrary to *Westinghouse*, *Bendix* in no way challenged the specification of '697 as insufficiently disclosing the metallic resist process.

Judge Watkins' cavalier treatment of the House of Lords decision contrasts strangely with the great respect accorded by this Court to the decisions of that tribunal, the highest in the United Kingdom.*

REASONS FOR GRANTING THE WRIT

As to Question No. 1

This question presents a significant issue under *Blonder-Tongue* concerning the extent of the collateral estoppel: where some claims of a patent are invalidated, whether other, non-adjudicated claims are barred, against different defendants, in a subsequent case. The holding by the Seventh Circuit in *Bourns*, opinion by Associate Justice Tom C. Clark, ret., sitting by designation, is in square conflict with the holding by the Fourth Circuit in this case. *Bourns*, reversing in part, held (A-51-53) that *Blonder-Tongue* does not bar litigating claims of a patent in a subsequent case against different defendants where those claims were not adjudicated in the prior suit invalidating other related claims of the patent. Applying that rule to the facts in our case, since claims 11, 12 and 13 of patent '697 were not adjudicated in *Bendix*, *Bendix* does not bar a determination on the merits here of those claims.

That *Bendix*, in invalidating claim 10, could not be an adjudication on the merits of claims 11, 12 and 13, not only follows from *Bourns*, *supra;* that result is also mandated by the statute itself (35 U.S.C. § 282):

> "Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim."

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* E.g. *Mineral Separation* v. *Hyde*, in 37 Supreme Court Reporter 83, at 85-6.

Accordingly, petitioners submit that the courts below erred in holding (A-37, fn. 4) that claims 11, 12 and 13 of '697 are invalidated because "they are dependent on claim 10". Based upon that erroneous premise, they further erred in holding that therefore "the issues before the Court in Bendix and the present cases are identical" (A-37, fn. 4).*

This square conflict between the Fourth and Seventh Circuits on an important question of collateral estoppel under *Blonder-Tongue* should be resolved by the Supreme Court. Plaintiffs are entitled, as a matter of law, to a determination on the merits of claims 11, 12 and 13 of '697, which they have never had in any court.

As to Questions Nos. 2, 3 and 4

The courts below, in paying lip service to *Blonder-Tongue*, in substance disregarded its mandate to allow a trial on the merits, against different defendants, in the interests of justice and equity. In conflict with this Court's decision in *Blonder-Tongue*, they have in effect applied an automatic collateral estoppel in favor of defendants not in the first case.

The courts below have, despite *Blonder-Tongue*, denied plaintiffs another trial on '697 against different defendants, even though in the earlier, *Bendix* suit, the courts "wholly failed to grasp the technical subject matter and issues in suit" (*Blonder-Tongue*, pp. 332-4). They mis-

* In oral argument to the District Court, plaintiffs' counsel stated, as an aside, that "the issues in this suit, your Honor, are the same as the issues in the Bendix case" (Tr., p. 139) but there was no intent to waive plaintiffs' rights to a determination on the merits of the claims not actually adjudicated in *Bendix*. The critical point on the issue of collateral estoppel is that the *Bendix* court *did not in fact adjudicate claims 11, 12, and 13:* "Since the [*Bendix*] court's judgment by its terms did not depend on the invalidity of claims not specified in that judgment, appellants are not collaterally estopped from asserting the remaining claims of the ['697] patent." See *Bourns*, A-53.

read, in the critical respects, the only two prior art patents (Stevens and Dallas and Whilems) cited as pertinent from the electrical arts—'697 being an advance in the electrical arts—and, consequently, were disabled from rationally applying the standards of *Graham* v. *John Deere*. They also acted on the erroneous belief that the non-electrical art steps they cited had not been considered by the Patent Examiner in passing on '697.

Moreover, the courts below have failed to follow the teaching of *Blonder-Tongue* that the plaintiffs are entitled to another trial against different defendants because of the requirements of procedural due process. Defendant Bendix and its counsel, who are counsel in this case for Westinghouse, misled or abetted by a third party, suppressed the Rubin notes which were thus not available to plaintiffs in *Bendix*. The Rubin notes were crucial in that they showed that Rubin (who was post-Eisler), with all the pieces at hand, failed to see the right combination, to wit, the metallic etch resist process for producing a bi-metallic conductive pathway pattern for electrical components. That is powerful objective evidence on non-obviousness which plaintiffs were denied the benefit of in *Bendix*.

The *Blonder-Tongue* type of estoppel does not contemplate the novel situation presented by the subsequent determination of the House of Lords, casting doubt as it does on the correctness of the *Bendix* decision. Given the circumstance that plaintiffs have lost the first patent case and won, in effect, a comparable second patent case (the House of Lords decision—8 English judges in the three courts, all agreed on validity) on a related but less strong patent, the lower courts should not have ignored the House of Lords decision and dismissed the case solely on the basis of the first decision. *Blonder-Tongue* assumed a prior decision not already challenged by another court decision, as the predicate for a just and equitable collateral estoppel. The English decisions, at the very least, qualify this case

as one falling under the Supreme Court's (*Blonder-Tongue*, pp. 332-4) still present "important concerns about the complexity of patent litigation and the posited hazard that the prior [Bendix] proceedings were seriously defective" as to patent '697.

Finally, The House of Lords decision, coupled with the confusions of the learned District Judge and Court of Appeals, particularly in re Stevens and Dallas and Whilems, and their bland countenancing of the suppression by Bendix counsel and another of critical evidence in *Bendix*, amply demonstrate a blunted "sense of justice and equity" in the estoppel of plaintiffs, contrary to the requirements of *Blonder-Tongue* (pp. 332-4) and warranting corrective action by the Supreme Court in the exercise of its power of supervision.

CONCLUSION

For the reasons stated, this petition for certiorari should be granted.

Respectfully submitted,

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APPENDIX

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APPENDIX

Constitution

United States Constitution, Art. I, § 8, Cl. 8

The Congress shall have Power * * * To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

UNITED STATES CODE, TITLE 35:

§103. Conditions for Patentability; Non-Obvious Subject Matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, § 1, 66 Stat. 798.

§282. Presumption of Validity; Defenses

A patent shall be presumed valid. Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting it. * * * As amended July 24, 1965, Pub.L. 89-83, § 10, 79 Stat. 261.

Opinion of Watkins, J. in Westinghouse Case

WATKINS, Senior District Judge (Filed March 20, 19

Technograph Printed Circuits, Ltd., the owner of, a Technograph Printed Electronics, Inc., exclusive licens under, Eisler United States Patent No. 2,706,697 ('69 (hereinafter plaintiffs) have filed suits against Mart Marietta Corporation, Westinghouse Electric Corpo tion, International Telephone and Telegraph Corporati and McDonnell Aircraft Corporation (hereinafter defe ants) for alleged infringement of method Claims 4 a 10-14 inclusive of '697. Each of the defendants, hav "opted out" of class litigation in the District Court the Northern District of Illinois, has filed a Motion to D miss, the grounds being that the decisions in Technogra Printed Circuits, Ltd. v. Bendix Aviation Corportion, F. Supp. 1 (D. Md. 1963), affirmed 327 F.2d 497 (4 1964), cert. den. 379 U.S. 826 (1964) (hereinafter Bend constituted collateral estoppel against the prosecution these suits. Plaintiffs, of course, contend that under Tr lett v. Lowell, 297 U.S. 638, there was, and could be, estoppel where the parties in the prior and subseque suits were not identical. The question of the viabil and scope of Triplett was elaborately briefed, and d cussed in conferences, and memoranda, and was the su ject of at least one order. Before an opinion was filed this Court, the United States Supreme Court gran certiorari in Blonder-Tongue v. University Foundati

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[1] The first Eisler application for a United States Patent, Se Number 520,991, was filed February 3, 1944. Patent No. 2,441, ('960) issued on May 25, 1948. On February 27, 1948, a divisi application 11,798 was filed out of which Patent No. 2,257,568 sued on February 26, 1952, and was subsequently reissued on J 12, 1956 as United States Reissue 24,165 ('165). Divisional a plication 11,798 was further divided by Application 261,989, fi December 17, 1951, and issued on April 15, 1955 as Patent N 2,706,697 ('697).

and on May 3, 1971 filed its opinion therein. 402 U.S. 313, 169 U.S.P.Q. 513. That decision[2] held that a plea of estoppel was not automatically to be accepted, but that "the court in the second litigation must decide in a principled way whether or not it is just and equitable to allow the plea of estoppel in the case before it." (402 U.S. at 334). The criteria established by the Supreme Court are so critical that direct quotations, rather than paraphrase, is indicated. The Supreme Court said (402 U.S. pages 332-334, footnotes omitted):

"Even conceding the extreme intricacy of some patent cases, we should keep firmly in mind that we are considering the situation where the patentee was plaintiff in the prior suit and chose to litigate at that time and place. Presumably he was prepared to litigate and to litigate to the finish against the defendant there involved. Patent litigation characteristically proceeds with some deliberation and, with the avenues for discovery available under the present rules of procedure, there is no reason to suppose that plaintiff patentees would face either surprise or unusual difficulties in getting all relevant and probative evidence before the court in the first litigation.

"Moreover, we do not suggest, without legislative guidance, that a plea of estoppel by an infringement or royalty suit defendant must automatically be accepted once the defendant in support of his plea identifies the issue in suit as the identical question finally decided against the patentee or one of his privies in previous litigation. Rather, the patentee-plaintiff must be permitted to demonstrate, if he can, that he did not have 'a fair opportunity procedurally, substantively and

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[2] This Court's own tentative conclusion was quite similar to the result reached by the Supreme Court.

evidentially to pursue his claim the first time.' Elis
Columbia Packing Co., 181 F. Supp. 298, 301 (Ma
1960). This element in the estoppel decision will co
prehend, we believe, the important concerns about
complexity of patent litigation and the posited ha
that the prior proceedings were seriously defective.

"Determining whether a patentee has had a full a
fair chance to litigate the validity of his patent in a
earlier case is of necessity not a simple matter. I
addition to the considerations of choice of forum a
incentive to litigate mentioned above, certain oth
factors immediately emerge. For example, if the iss
is nonobviousness, appropriate inquiries would
whether the first validity determination purported
employ the standards announced in Graham v. Jo
Deere Co., supra; whether the opinions filed by t
District Court and the reviewing court, if any, in
cate that the prior case was one of those relative
rare instances where the courts wholly failed to gra
the technical subject matter and issues in suit; a
whether without fault of his own the patentee w
deprived of crucial evidence or witnesses in the fi
litigation. But as so often is the case, no one set
facts, no one collection of words or phrases, will pr
vide an automatic formula for proper rulings on e
toppel pleas. In the end, decision will necessarily re
on the trial courts' sense of justice and equity.

"We are not persuaded, therefore, that the Trip
rule, as it was formulated, is essential to effectua
the purposes of the patent system or is an indispe
able or even an effective safeguard against fau
trials and judgments. Whatever legitimate concer
there may be about the intricacies of some pate
suits, it is insufficient in and of itself to justify pu

entees relitigating validity issues as long as new defendants are available. This is especially true if the court in the second litigation must decide in a principled way whether or not it is just and equitable to allow the plea of estoppel in the case before it."

This Court has carefully considered the briefs and arguments in these cases, consolidated for the purpose of the motions to dismiss, has reviewed its previous decision and the authorities therein relied upon; has studied the briefs before the Fourth Circuit on the original argument and on motion for reargument en banc and on petition for certiorari to the Supreme Court of the United States; the decision of Commissioner Davis of the Court of Claims in Technograph Printed Circuits, Ltd., et al. v. United States, 164 U.S.P.Q. 584 (1970) and his Findings of Fact and Conclusions of Law; and the House of Lords decision in Mills & Rockley (Electronics) Limited v. Technograph Printed Circuits Limited, February 24, 1971. The Court has also considered what is tendered in plaintiffs' briefs and exhibits as new evidence.[3]

It is conceded that the issue in suit is the identical question finally decided against the plaintiffs in Bendix, who are the plaintiffs here.

It is the Court's firm opinion that:

(A) Plaintiffs in Bendix had "a fair opportunity procedurally, substantively and evidentially to pursue" their "claim the first time";

(B) the standards with respect to obviousness announced in Graham v. John Deere, 383 U.S. 1, 10 (1966) were met;

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[3] Most of this could, with reasonable diligence, have been available for introduction in the Bendix trial; and to the extent that it could not, the Court does not believe that its introduction in the pending cases would change the result reached in Bendix.

(C) the opinions in the Bendix case do not indicate th it was one of those "rare instances where the courts who failed to grasp the technical subject matter and issues suit";

(D) the plaintiffs were not deprived "without fault" their own "of crucial evidence or witnesses" in the Ben case;[4] and

(E) "it is just and equitable to allow the plea of estop pel" in these cases.[5]

Since these conclusions require the dismissal of the fo cases, and since an appeal is almost inevitable, a statem of reasons for the above conclusions is justified, if n required.

(A) Plaintiffs had a fair opportunity procedurally, su stantively and evidentially to pursue their "claims the fu time"; and (D) were not deprived "without fault" of th own "of crucial evidence or witnesses" in the Bendix ca

(A) The "fair opportunity" that plaintiffs had in t Bendix case involved numerous pretrial conferences a hearings on preliminary motions all elaborately brief and usually fully argued. In addition to twenty-nine co days of trial, four days of travel were spent; at the requ of counsel, visiting plants of licensees and of Bendix. Pla tiffs filed 458 exhibits and defendant 543 exhibits. Th included depositions (including that of Eisler); file wr pers of patents in the hundreds of pages; and pamphl printed publications, patents and correspondence, amo

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[4] (A) and (D) would often, and do here, overlap.

[5] Westinghouse filed the only brief in response to plain Memorandum, but it was adopted without reservation by the three defendants.

ing to thousands of pages. After the last day of trial, counsel were permitted to file briefs, totalling in excess of 600 pages, followed by two days of arguments. Submission of new cases, references to modification of plaintiffs' licensing procedures, and new British patent action, thereafter extended over a period of months.

Highly experienced and efficient counsel certainly by the most exacting standard had a "fair opportunity" to develop fully their theories and positions. The court was lenient in its rulings on admissibility; and no claim was or is now made that the court excluded any relevant evidence offered.

(D) Deprival without fault of "crucial evidence or witnesses" in the Bendix case.

Plaintiffs urge that:

(1) Defendant's Exhibit 705 in the Court of Claims, dated June 11, 1951 is a disclosure of the Signal Corps alleged Silver Plating Resist process "which is really the same as Eisler's metallic resist process disclosed in Eisler's February 3, 1944 application in the United States Patent Office".

(a) As plaintiffs admit in their reply brief, this document was in fact in evidence in the Bendix case as part of plaintiffs' Exhibit 443.

(b) The tremendous importance of this document is claimed to be that:

(i) It disclosed the significance of the "common cathode". This court in Bendix had recognized that this factor was claimed as a virtue of Eisler's inventions. 218 F. Supp. 7.

(ii) It showed the significance of the "disclosure" of the Eisler metallic resist in 1944.

In fact, Eisler never, in the specifications of '960, Re '[illegible] or '697, disclosed a metallic resist except in connect[illegible] with a "transfer" method (Claim 5 of "697—held invi[illegible] by this court in Bendix, 218 F. Supp. 36, 43-44.)

The real significance of the Signal Corps disclosure [illegible] that it triggered Eisler's attorneys for the first time to [illegible] to obtain claims, never before suggested by Eisler or [illegible] attorneys, for a metallic resist, unassociated with transf[illegible] 218 F. Supp. at 45-46; 164 U.S.P.Q. at 587-589.*

(2) Defendant's Exhibit 708 in the Court of Clai[illegible] dated February 27, 1952, of the Signal Corps, referring [illegible] the common cathode, and the metallic resist, of the Sig[illegible] Corps' development.

(a) There is no showing that this document could [illegible] have been secured through Danko of the Signal Cor[illegible] through whom defendant's Exhibit 705 was obtained; or [illegible] its materiality in view of defendant's Exhibit 705.

(b) Defendant's Exhibit 705 refers to electroplati[illegible] "using a single connector to the cathode bar"—a comm[illegible] cathode.

The first paragraph of defendant's Exhibit 705 reads:

> "(A production method whereby a heavy silver pl[illegible] is obtained on a copper conductive surface without [illegible] use of connecting multiple [indecipherable] electr[illegible] terminations to discontinuity circuits. One term[illegible] tion is all that is required.)"

(3) RCA documents.

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* "And, indeed, it was only after the 'metallic resist' process [illegible] publicly disclosed by others in 1951 and 1952 (finding 29) and [illegible] one of Eisler's attorneys became aware in 1952 that the process [illegible] in use in industry (finding 27) that claims thereto were inserte[illegible] 1953 and 1955." (164 U.S.P.Q. at 589).

Opinion of Watkins, J. in Westinghouse Case.

Plaintiffs refer to three communications from RCA's European technical representative to RCA officials, dated January 15, 1948, June 2, 1948 and June 4, 1948. They all deal exclusively with the "print and etch" methods of '960.

(a) There is no showing that these letters could not have been produced in the Bendix case. Eisler's deposition in that case referred to the visit of an RCA representative to the Technograph facilities in London, and a disclosure to him of Technograph methods. Certainly this should have alerted plaintiffs' counsel to the possibility of the existence of RCA records with respect thereto.

(b) One of the letters refers to the "possibility of a new and revolutionary technique". There is no indication that the writer was familiar with any of the print and etch art.

(c) Plaintiffs argue that this statement "applied to the entire application, which also described the metallic resist process".

The references to the addition of metal to metal are all given only as a step preceding transfer. '960, Col. 6, lines 41-47; Col. 6, line 70; Col. 7, line 2. As heretofore noted, Eisler did not file a transfer claim until 1951, or a metallic resist claim until 1955.

(d) Significant as to Eisler's concept of the scope of his disclosures is the statement in the Memorandum of Henderson & Spalding dated January 15, 1948, and forwarded with the letter of the same date. After stating that the first seven claims had been allowed, the Memorandum continues:

> "The remainder of our original claims have to be sub-divided, and re-filed within their appropriate divisions, with priority rights as from the date of our first application. The reason for sub-division is stated to

be that as our claims covered uses in many fields
addition to that of making electrical wiring boards,
for instance to the production of various types of
to the use of foldable conductive patterns for the wi
ing of small motors, and to the making of low tempe
ture wall paper for domestic heating, and others, s
divisional applications were necessary."

(4) Testimony by Cottle, a former General Electric Co
pany employee, in the Chicago case; and

(5) A statement by Judge Will recognizing the valu
the common cathode.

(a) There is no showing why the testimony of Cottle
significant, could not have been produced in the Bend
case.

(b) The disclosure of a common cathode in '960 w
recognized by this Court. 218 F. Supp. at 7.

(6) Testimony by Dr. Ziegler, defendants' expert
Chicago.

Dr. Ziegler is quoted as making the "admission" that
Signal Corps reversal process "achieved very signifi
new properties."

(a) This was established by the Signal Corps memor
dum of June 11, 1951, defendant's Exhibit 705, part
plaintiffs' Exhibit 443 in the Bendix case.

(b) Plaintiffs argue that if the Signal Corps proce
published in 1952, achieved very significant new properti
"then Eisler's '697 metallic resist *claims* achieved the sa
and were nonobvious since in principle both were the sa
but Eisler was first." (Emphasis supplied).

Unfortunately for plaintiffs, the first of "Eisler's met
lic resist *claims*" (emphasis supplied), was not filed u

January 1953[7] as application claim 11, which is similar to claim 4 of '697. Application claims 30 and 31 (patent claims 10 and 14) were filed in January of 1955.[8]

To gild the lily, June 11, 1951 and February 29, 1952 are both prior to January 1953 and January 1955.

(7) Lauback patent.

This is a German patent issued March 4, 1934, not cited in the prosecution of the Eisler application, and not offered in the Bendix case.

(a) No explanation is given as to why, by reasonable diligence, this patent could not have been discovered in time to introduce it in the Bendix case.

(b) The Lauback process is complicated and expensive, and perhaps deserves Judge Will's comment as to the improbability of commercial use, and as to its "Rube Goldberg" approach. With all its drawbacks, it appears to have been susceptible of reduction to practice. The parties in the Chicago case stipulated:

> "74. The component *produced* by the process of the Lauback German patent, No. 642,447, *is* an electrical component having an insulating base with a conductive pattern in one metal covered with a *protective layer of another* metal." (Emphasis supplied).

(8) Commercial success.

The parties in the Chicago class action stipulated that by September 27, 1962 the processes which plaintiffs contend are covered by '697 "had come into and continued to

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[7] Original claim 4 of '960 was similar to claim 4 in '967, but was cancelled before issuance of '960. See 218 F. Supp. 16, 45-46.

[8] 218 F. Supp. at 15-18, 45-46; 164 U.S.P.Q. at 587.

be in wide and extensive use in the electrical and electro
industry throughout the United States."

The question of the significance of commercial suc
was considered by this Court in Bendix, 218 F. Supp. 5
As there stated, commercial success is significant onl
cases of doubtful validity. This Court then was, and
is, satisfied that invention is lacking. The court in Be
also considered the significance of plaintiffs' licensing p
tices and their very substantial war chest of one-half mil
dollars; and that the progress of printed circuitry is at
utable to the development of satisfactorily bonded m
lized laminate rather than to any gain in knowledg
printing and etching metals. As this Court noted (21
Supp. 52) many were working at about the same tim
Eisler on printing and etching techniques. None succe
commercially until a satisfactory bonding of metal to
lation was obtained; thereafter, many succeeded.

Plaintiffs make no proffer of what part of the comme
success of metallic resist methods is attributable to s
factory bonding; and what part is attributable to
Signal Corps disclosures at a time when Eisler did
have pending any claims in '697 for metallic resist met
as such.

(9) Obviousness—person or ordinary skill in the

Plaintiffs assert that evidence was offered in the Ch
case that in 1943-44 it would not have been obvious
person of ordinary skill in the electrical art to make
metallic conductive pathway pattern on insulation
component of an electric and "magnetic" circuit syst
set forth in claim 10 of '697; and that it was not obvi
the witness personally.

(a) No effort is made to explain why this testimo
relevant, could not have been offered in Bendix.

(b) The value of the testimony of the witness is materially affected by his rather evasive answer to this question as to whether it would have been obvious in view of the prior art—"littledale, Parolini, Paragon, the whole kit and caboodle"—for a person of ordinary skill in the art to produce "an interconnecting network for making electric circuits by the steps described in Claim 10 of '697". His reply was that it would be a difficult question to answer; that he did not think such person would come up with the answer unless he was "guided in a specific direction."

So far as this Court is advised, the witness was not asked how he thought the Signal Corps had arrived at its solution; or why it was not until after the Signal Corps had announced its solution, that Eisler filed his application that became Claim 10.

(10) Evidence of level of ordinary skill in the electrical art.

Plaintiffs' expert testified in the Chicago case that the level of ordinary skill in the electrical art in the period 1940-1944 "would be just under that of a man with a bachelor's degree in engineering," which would include "a year, or a half year of chemistry" at college level.

Plaintiffs argue that similar testimony was not offered in Bendix, and that therefore the requirements of Graham v. John Deere Co., 383 U.S. 1, 18-19 (1966), were not met.[9]

(a) Why, if significant this, or its equivalent, could not have been offered in Bendix is not mentioned.

(b) The Court is not advised of the basis upon which the witness could possibly have reached the conclusion expressed, or whether it was or ever had been shared by anyone else; or ever expressed prior to the Chicago litigation.

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[9] Further discussed under Point B, infra.

(c) The definition, if sound, is unrevealing. It leaves completely unanswered the real question—what would a person with skill "just under that of a man with a bachelor's degree in engineering" know about "the art of producing interconnecting networks for making electrical circuits." Certainly not every such Bachelor of Engineering would have been interested in this field.

Would he have made any patent search? Would his college education have acquainted him with the "print and etch" field? Unless he were specifically employed in research, or interested in independent invention, why and how much would he know of and in this field? Is not the level of ordinary skill in the art demonstrated by the actual accomplishments of the art?

(d) Moreover, the advocacy of plaintiffs' witness is clearly demonstrated.

The witness's affidavit in part stated:

> "I have read the specifications of each of Eisler Patents 2,441,960, Re 24,165, and 2,706,697, and have read the claims of each in the light of the specification. The claims are clear, distinct, certain and fully operative to a person skilled in the electrical and electronics art when interpreted in the light of the specification . . ."

Such blanket endorsement gives blessing to Claim 5 of '697 and the claims of the '165 patent and Claims 1, 2, and 7 of the '960 patent, found by this Court to be inoperative (218 F. Supp. 43-44); to Claims 4, 10, 13 and 14 of '697 as to which Commissioner Davis found the disclosures of the specifications of '697 inadequate (164 U.S.P.Q. 587-589); and the use of the terms "foil", "printing", and "component" (218 F. Supp. 38-43).

Further, in material presented to this Court before the Blonder-Tongue decision, for the purpose of supporting

the argument that a person skilled in the art would have no difficulty in carrying out the steps in '697, this same witness gave no such unqualified endorsement of clarity as that quoted above. What he then is quoted as saying is:

> "I mean that a person skilled in the art can follow the claims and the specifications and come up with what presumably, at any rate, is the intent of the inventor. I suppose it is difficult to say with complete assurance what the intent of the inventor is, but you can come up with a result that satisfies a person as being what the inventor meant."[10]

This would appear to be a rather devious way of characterizing the claims as "clear, distinct, certain." Moreover, the language last above quoted would seem to envisualize a patent for a product, rather than one restricted to method claims.

(11) Rubin

(a) The Rubin patent, No. 2,443,119, issued June 8, 1948 on application filed April 5, 1944, was before the court in Bendix (218 F. Supp. 18-19). Whatever arguments could be made therefrom could have been made in that case.

(b) Rubin disclosed and used the common cathode for the deposition of the same metal in discontinuous areas for reinforcement.

(c) Reference is made to Rubin notes prepared in September 1943. These were before the Court of Claims and Rubin was a witness (164 U.S.P.Q. at 590). Presumably every conceivable argument with respect thereto was made, without success, before Commissioner Davis.

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[10] Transcript on hearing on motions to dismiss, July 29, 1969, pages 98-99.

(d) However much present counsel seek to disparage Rubin, his patent, and his works, Technograph thought enough of the Rubin patent to purchase it on July 7, 19 for 1500 shares of Technograph's common stock. This was only shortly before office action of December 8, 19 rejecting all claims of '697 on Rubin as a statutory ba for failure to copy the Rubin claims. Per custom, th rejection was short lived (218 F. Supp. 17-18).

(B) The Court did not fail to apply the John Deere Co. standards.

In *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (196 the Court said (pp. 17-18):

> ". . . Under § 103, the scope and content of the pr are to be determined; differences between the prio art and the claims at issue are to be ascertained and the level of ordinary skill in the pertinent a resolved. Against this background, the obviousness or nonobviousness of the subject matter is dete mined. Such secondary considerations as commercia success, long felt but unsolved needs, failure of others etc., might be utilized to give light to the circum stances surrounding the origin of the subject matt sought to be patented. . . ."

The Court continued (p. 19):

> ". . . The standard has remained invariable in th Court. Technology, however, has advanced—and wi remarkable rapidity in the last 50 years. Moreove the ambit of applicable art in given fields of scien has widened by disciplines unheard of a half centu ago. It is but an evenhanded application to requi that those persons granted the benefit of a pate monopoly be charged with an awareness of the

changed conditions. The same is true of the less technical, but still useful arts. He who seeks to build a better mousetrap today has a long path to tread before reaching the Patent Office."

Plaintiffs seem to urge that the Court's decision on obviousness was purely subjective because no witness in so many words described the alleged Eisler inventions as obvious.[11]

That direct testimony is not necessary to sustain a finding of invalidity is stated, with his usual forcefulness and lucidity by Judge Learned Hand in *Kohn* v. *Eimer*, 265 F. 900, 902 (2 Cir. 1920), quoted with approval in *General Motors Corp.* v. *Estate Store Co.*, 203 F.2d 912, 914-15 (6 Cir. 1953); and to the same effect, *B. G. Goodrich Rubber Co.* v. *Rubber Latex Products, Inc.*, 400 F.2d 401, 406 (6 Cir. 1968).

Indeed, the Supreme Court in John Deere did not rely upon, or state the need or the necessity for such testimony.

The same contention was unsuccessfully advanced in plaintiffs' Motion in the Fourth Circuit for Reargument en banc. It was again advanced equally unsuccessfully, in plaintiffs' Petition to the Supreme Court for certiorari.

In arriving at its conclusions as to obviousness, the Court considered:

(a) The prosecution history of the application maturing into the patents in suit,[12] including an examination and analysis of fifteen patents cited by the Patent Office;

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[11] Had such testimony been offered, plaintiffs probably would have objected on the ground that the witness was usurping the functions of the court; that the court must decide from the *testimony* as to the prior art and the Eisler disclosures, and not from the conclusion of a witness.

[12] Specifically, as to '697, see 218 F. Supp. at 15-18.

(b) An analysis of fifteen additional patents and p
art not cited by the Patent Office, some of which were m
pertinent than the cited art;

(c) The testimony of defendant's expert witness c
paring the Eisler methods with the methods describe
the prior art;

(d) The testimony of independent developers of the s
methods recited in the claims of the patents in suit;

(e) Testimony that the commercial success of proc
using a metal coated insulating material was attributa
to the development of a satisfacory raw material of s
quate bonding characteristics, rather than to any disclo
of Eisler;

(f) The recognition by Eisler that the "productio
the metal electric and magnetic conductors in position u
their insulating support" was based upon "printing" ('
col. 1, lines 45-48); that "A typical instance of the inve
comprises the steps of preparing by any of the well-kn
methods of the printing art, a printing plate . . ." ('
col. 1, lines 57-59); and that "The sheet is then etche
the well-known manner of the printing art . . ." ('697, li
22-23);

(g) In the course of the prosecution of the '697 pat
Eisler's attorneys in an answer dated July 21, 1954 a
mitted that the individual steps could be found in the r
erences, although it is claimed that these are in differ
combinations. It is further admitted that "there is
problem to produce and [sic] insulation backed conduc
pathway pattern. The unwanted areas of metal foil m
be removed by cutting, stamping, etc.; and the pattern m
be drawn by hand with a conductive paint on an insula
layer and then be built up by electroplating . . ."[13]

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[13] Bendix, defendant's Exhibit 491, p. 77.

(h) The Court is criticized[14] for not purporting to discuss the "question of whether it was obvious for a person of ordinary skill in the electrical art to look to the art of making printing plates and the art of ornamenting metals in the early 1940's for producing bimetal conductive pathway patterns for electrical components." In view of Eisler's concessions (paragraph (f) of this Part B) as to the preparation of the "printing plate" by "any of the well-known methods of the printing art" and to etch in the "well-known methods" of the same art, it would have been supererogation to repeat the significance, and availability, of what was well-known.

As to the metallic resist aspect, the Newton, Stubbles, McFarland, Dejey and Payne patents are discussed at pages 37-38 of 218 F. Supp., but not by the Patent Officer Examiner. Newton called for a photomechanical resist which prevented etching, or electro-deposition. Stubbles used a photomechanical negative resist pattern, nickel being deposited upon the unprotected surface, and serving as a metallic resist. McFarland used metal as a plating and a resist. Dejey employs an additive metallic resist. Payne's patent used the very words "metal resist".[15] Newton, Payne, Dejey and Stubbles are discussed by Commissioner Davis in Finding 17(a) and (b), and in "Summing up" in Finding 23, concludes:

> "In view of the state of the art showing that printing-art practices were commonly used in the electrical and metal-working arts, it was within ordinary skill to use the old 'two resist' process to make electrical components from foil-clad insulation."[16]

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[14] Brief, 26.

[15] Whilems and Norris, 2, 282, 203 are considered under Point C, infra.

[16] Pages 32 and 37 of printed opinion in Technograph, etc. et al. v. United States.

The foregoing (except Commissioner Davis' Find
and the entire record, was considered by this Cour
reaching its conclusion that '697 was invalid for obv
ness. It stated (218 F. Supp. at 31):

> "Should another court find that the alleged Eisler
> ventions were not identically disclosed or describe
> the Stevens and Dallas[17] application, this court uns
> tatingly finds and holds that 'the differences betw
> the subject matter sought to be patented and the p
> art' were 'such that the subject matter as a wh
> would have been obvious at the time the [alleged]
> vention[s] [were] made to a person having ordin
> skill in the art to which said subject matter perta
> (35 U.S.C. § 103). The court holds that the Stev
> and Dallas application--not considered by the Ex
> iner--of itself invalidates the Eisler patents, ei
> as an anticipation, or as showing lack of novelty.
>
> "Even apart from the Stevens and Dallas applica
> the court holds that the other prior art, cited and
> cited by the Examiner conclusively shows lack of n
> elty.
>
> • • • •
>
> ". . . When the available literature, both patents a
> publications, not cited, is considered, and also the a
> ity of persons unaware of the alleged inventions
> reach the same results by the same means, the c
> has no hesitation in holding the patents, and the cla
> in suit to be invalid." (218 F. Supp. at 24).
>
> • • • •
>
> ". . . Many were working at about the same time
> Eisler on printing and etching techniques. None s
> ceeded commercially until a satisfactory bonding

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[17] See Point (C), infra.

metal to insulation was obtained; thereafter, many succeeded." (218 F. Supp. at 52).

The Signal Corps success with good bonding materials has been noted.

In addition, plaintiffs' newly employed patent attorney, Frederick E. Hane, in connection with the filing on January 13, 1953, in the Patent Office of an amendment in the '697 application, including claims not reciting the step of transferring a circuit pattern to an insulating support, wrote to plaintiffs' British patent agent a deeply significant explanatory letter. In part, it reads:

> "Please find enclosed a copy of the amendment which I have filed in answer to the office action due on January 14, 1953 after approval by [plaintiffs' Vice President]. As you will note, I have added claims 11, 12 and 13 in which the transfer step has been omitted. These claims have been prepared in an attempt to cover *competitive products now here on the market* which use all steps except the transfer step."[18] (Emphasis supplied).

This Court in 1963 was, and to-day is, of the opinion that the record in this case fully justified the conclusion that the Eisler patents, including '697, were and are invalid under U.S.C. Title 35, § 103, for obviousness. This Court is further of the opinion that its statement that "the claim of indefiniteness strongly supports, if alone it would not require, the finding of invalidity" (218 F. Supp. at 43) is at least as valid today as when first written.[19] A study of the Blonder-Tongue decision in no wise changes these conclusions.

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[18] Commissioner Davis' Finding 27, page 40 of printed opinion in Technograph, etc. et al. v. United States.

[19] See 164 U.S.P.Q. at pages 587-589; printed opinion pages 7-10.

(C) This is not "'one of those relatively rare instan where the courts wholly failed to grasp the technical s ject matter and issues in suit' . . . *as to patent '6* (plaintiffs' emphasis).

While this Court vigorously disagrees with plaint statement to the contrary, it will endeavor to give objec consideration to the points urged by plaintiffs' counse support thereof.

1. It is suggested by counsel that '697 was in e buried by '960 and '165. Since the specifications of '165 '697 are substantially verbatim those of '960,[20] and as and '697 are derived from divisions of the applica maturing into '960, much of the analysis of the spec tions, and procedures in the Patent Office was common or at least relevant to, all three. The positions of parties with respect to each of the patents was recogn (218 F. Supp. 6-7); the individual Patent Office his of '697 was discussed (218 F. Supp. 15-18); special re ences to '697 are made with respect to "foil" (218 F. Su 39-40); "printing" (218 F. Supp. 40); and "compon (218 F. Supp. 42).

Separate attention was also given to claims for inop tive procedures in '697 (218 F. Supp. 43-44); to the tention of "intervening rights and laches" (218 F. Su 45-46); and to questions of infringement (218 F. Supp. 54).

If "plaintiffs presented '697 as the tail on the do the Court gave the entire dog consideration as such; independent consideration to the appendage as such.

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[20] See 218 F. Supp. at 5, 65.

[21] Plaintiffs' Brief, p. 5.

(1) Alleged "incorrect findings."

Plaintiffs refer to a letter from an attorney (now deceased) to his client, not involved in the Bendix litigation, that counsel for Bendix had said that "they found incorrect findings in the Watkins decision." The only "finding" to which direct reference is made is:

(a) The statements made by the court with respect to the Stevens and Dallas Application Serial Number 184,419, filed January 11, 1938. The following references were made:

> "Clearly, electroplating to reinforce, or to serve as a resist, is disclosed." (218 F. Supp. 25).

Plaintiffs' Brief[22] then makes two partial quotations, in reverse order, from page 31 of 218 F. Supp., omitting the qualifications and alternative approaches considered by the court. Although much of this has been quoted before, plaintiffs endeavor to make so much of the partial, reversed, quotations, that the full text is given below:

> "To the court the Stevens and Dallas application seems to be a complete anticipation under 35 U.S.C. § 102(b) in that the alleged Eisler inventions were described in such application, more than a year prior to the date of the application for any of the Eisler patents. Having been referred to by Stevens and Dallas in the specifications in Patent No. 2,219,497, the application became part of the disclosure set out in said patent (Application of Heritage, C.C.P.A. 1950, 182 F.2d 639, 643, 37 CCPA 1109; B. F. Goodrich Co. v. United States Rubber Co., D.C.D.Md. 1956, 147 F. Supp. 40, 58, affirmed 4 Cir., 1957, 244 F. 2d 468, 470).

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[22] Page 19.

Opinion of Watkins, J. in Westinghouse Case.

"Should another court find that the alleged Eisler ventions were not identically disclosed or described the Stevens and Dallas application, this court hesitatingly finds and holds that 'the differences tween the subject matter sought to be patented the prior art' were 'such that the subject matter as whole would have been obvious at the time the leged] invention[s] [were] made to a person hav ordinary skill in the art to which said subject mat pertains' (35 U.S.C. § 103). The court holds that Stevens and Dallas application—not considered by Examiner—of itself invalidates the Eisler pate either as an anticipation, or as showing lack of n elty.

"Even apart from the Stevens and Dallas applica the court holds that the other prior art, cited and cited by the Examiner conclusively shows lack of n elty." (218 F. Supp. 31; see also the language at pa 24 and 52 of 218 F. Supp., quoted in (B) (h) supra.

Conceding that classing Dallas and Stevens as anti tory of all three patents was too broad, nevertheless court, in the quotation above, recognized the possibili difference of opinion, and held that the totality of evidence, including Dallas and Stevens, established validity on the basis of obviousness.

The Fourth Circuit was not misled. Counsel for Be frankly stated to the Fourth Circuit that if this Co statement was interpreted to mean that the Stevens Dallas application disclosed the negative imprint, mea resist method of '697, he would have to disagree. disclaimer must have been understood by the Fourth cuit.

It did not affirm on the ground of anticipation.

It did not affirm simply "on the opinion below".

The affirmance was:

> "After careful consideration of the record, the arguments and the briefs of counsel, we are persuaded that the patent claims are invalid for *obviousness* in the light of the prior art for the reasons fully discussed in the opinion of the District Court. Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp., D.C. Md., 218 F. Supp.)." (emphasis added. 327 F.2d 497, 498, 4 Cir. 1964).

In their Petition for Rehearing En Banc, the main contention of plaintiffs was with respect to the lack of an objective basis for a finding of obviousness. However, the Stevens and Dallas contention was twice urged,[23] and it was forcefully urged that accordingly "it is hard to see how this Court could have affirmed merely on the *ratio decidendi* of the lower court, at least as regards Patent '697".

The Fourth Circuit, fully advised, adhered to its ruling.

(b) "The Court in *Bendix* apparently believed that Whilems[24] taught more than it did."[25]

Reference is made to this Court's language on page 37 of 218 F. Supp., but not to that on page 32, which is a direct quotation from the patent.

Whilems is significant:

(i) It teaches the use of a negative representation resist which serves during a subsequent step, to prevent the transfer of metal to, or the removal of metal from, the

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[23] Pages 2, 4.

[24] British Patent 454,937, provisional Application filed April 8, 1935; Complete Specification Accepted October 8, 1936.

[25] Plaintiffs' Brief, page 12.

parts of the sheet covered by the resist and thereafter
moving the resist."

It is true that the reference is in connection with an
sulating sheet. However, Eisler in '697 states[26] that:

> "It will be seen below that it is not essential that
> imprint be positive, nor that the imprint be made
> metal, nor that the component be developed by
> removal of metal."

(ii) In the second method taught by Whilems, the
sulating sheet is covered by metal, and "a resist in the f
of *separate elements* is then formed on the metal coa
. . ."[27] (Emphasis supplied)

(iii) The protection of the resist from the etching
agent through the use of greasy inks is taught
Whilems[28] and by Eisler.[29]

(c) Norris, 2, 282, 203.

Plaintiffs contend that Norris 2,282,203 was the equ
lent of Newton, Stubbles, McFarland, Dejey and Pa
not mentioned in the prosecution of any of the Ei
patents; and that Norris '203 must have been considered
the Examiner in the prosecution of '697, although not m
by him.

Four times in plaintiffs' Main Brief[30] and three time
plaintiffs' Reply Brief[31] it is asserted that Norris "m

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[26] Col. 5, lines 1-4.

[27] Page 3, lines 56-58.

[28] Page 4, lines 1-5.

[29] Col. 4, lines 26-32.

[30] Pages 6, 16, 17, 18-19.

[31] Pages 7, 10, 13.

have been considered and rejected by Examiner Sylvester in the prosecution of '697, because Sylvester was also the Examiner in '690, in which Norris '203 was cited. Sylvestor's acquaintance with Norris '203 was, however, much more attenuated than plaintiffs' Main Brief and Reply Brief would indicate. In the status conference of May 27, 1971, the teaching of Norris '203, and the relationship of Examiner Sylvester was advanced for the first time. Counsel for plaintiffs stated:

> "Your Honor correctly described one of the processes [of Norris '203] in your opinioon, but Your Honor did not describe the other process, and I don't even think it was presented to Your Honor.
>
> "The other process was, in effect, the equivalent of — and, excuse me, going back, Norris —203 was for making something like a printing plate, so it was in fact that same kind of area as Newton, Dejey, and Payne. The other process was in *using a metallic resist*, and the Examiner had this patent on —960, and it was the same Examiner on —960 as on —697.
>
> "It is true that the Examiner came in on the —960 prosecution after Norris —230 had been cited, but in introducing himself to that particular situation, he studied all the prior art, so he knew about Norris —203, and cited it against —960.
>
> "I think it a fair assumption that when he came to —697, and it was the same Examiner, Sylvester, that he knowingly rejected, or at least considered and rejected even though there was no citation to it. Norris —203, which was a *metallic resist* but for making printing plates."[32] (All emphasis supplied).

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[32] Pages 144-145.

Norris '203 had two processes, one described by
Court in 218 F. Supp. at 10-11. In the modification,
nickel screen is completely covered by copper; a sens
coat is applied directly on the copper; a negative
design is printed and developed. By an "electro-fo
operation" a layer of nickel is deposited on the ex
copper; the hardened coat is removed, followed
etching process of the thus exposed copper that do
affect the deposited nickel or the nickel of the screen
etching is carried through the copper.

Had the Examiner in '697 had this deposited m
resist in mind, he could not have ignored it, and cer
would have cited it. It is a print-deposit-etch proc
the deposit representing, and protecting, the design.
of course, was critical as to '697. It is incredible t
the Examiner had considered Norris '203 he woul
have made it of record. He did not even mention
Newton, Dejey, Payne, Stubbles and McFarland).

(d) The House of Lords Decision.

Plaintiffs assert that the decision of the House of
on February 24, 1971, in Mills and Rockley (Electr
Limited v. Technograph Printed Circuits Limited, u
ing the validity of Eisler English Patent No. 63
"should be given, *at least as much weight* as the a
Bendix decision . . ." (Emphasis supplied). It is
that the English patient involved the print and etch
nique which is close to Eisler's American Patent
'165. Importantly, plaintiffs say that "Both the E
patent and all three Americans patents, including
were derived from the same complete specification."

With deference to plaintiffs' counsel, and to the
of Lords, this Court does not agree.

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[33] Page 2, col. 2, lines 64-75 to page 3, col. 1, line 21.

Opinion of Watkins, J. in Westinghouse Case.

(1) The only American patent considered by the Lords was O'Connell. This Court does not agree with the analysis of O'Connell accepted by the Lords. See 218 F. Supp. 1, 34-35.

(2) The House of Lords did not refer to Dallas and Stevens, or to the Bendix decisions, in the District Court or in the Court of Appeals, or to any other of the cited American patents.

(3) In the English case the defendant did not offer expert testimony;[34] in fact, it did not offer *any* testimony.[35]

(4) In "the absence of any evidence to the contrary", plaintiff's expert's testimony that O'Connell did not give him any help at all, should be accepted conclusively.[36] In the absence of impeaching cross-examination or contrary evidence, Lord Diplock said: "In the absence of any such material I do not think that your Lordships are entitled in so technical a field to reject this uncontradicted expert evidence."[37]

(5) At least a grave doubt of the appreciation of the Lords as to what the English patent was "all about", apart from the willingness to rely implicitly and entirely on expert testimony, is found in Lord Wilberforce's paean of praise:

> "This comparatively simple formula ["print" and etch] describes what has undoubtedly brought about a manufacturing revolution. One has only to contrast an old fashioned radio or television set with its complicated three-dimensional network of wiring (point to

[34] Lord Reid, page 3. Reference is to the reproduction of the printed opinion, identical copies having been furnished the Court by each side.

[35] Lord Wilberforce, page 5.

[36] Lord Reid, page 4.

[37] Page 9.

point) with the clean *two-dimensional elegance* o printed circuit to see how complete this was.'"[38] (E phasis supplied).

Even Eisler, not overly modest, made no such extra dinary claim. While his circuits were thin, his methods d not eliminate copper, but brought "the metal conductor the circuit component into existence in its final form, or a development of that form *upon* a plane or cylindri surface."[39]

(6) This Court strongly doubts that plaintiffs, wh enthusiastically welcoming the holding of validity, wou accept the determination by the House of Lords of t scope of the English patent (bearing in mind that "Bo the English patent and all three American patents, inclu ing '697, were derived from the same complete specifi tion").

(a) It is limited to the use of a "printing plate", wh was held to include "a kind of stencil referred to as a s screen".[40]

(b) ". . . upon the true consruction of the specificat read as a whole the claim is limited to a method in wh a 'printing plate' is used to produce an impression in resi *ink* of the pattern of the circuit upon the metal surface the laminated sheet. This no doubt *excludes photo-chem*

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[38] Page 5. While even the Staff of the Federal Power Commiss cannot "say for certain just how electricity is really transmitt (Federal Power Commission v. Florida Power & Light Co., 404 U —, 92 S.Ct. 637, 647, footnote 22), power companies and manu facturers of electric appliances use three dimensional transmiss lines.

[39] '960 Specification, Col. 1, lines 46-49; '697 Specification, Co 1, lines 53-55 (Emphasis supplied).

[40] Lord Reid, pp. 4-5; Lord Diplock, p. 10.

methods as well as die stamping. . . ."[41] (Emphasis supplied).

(7) Present patent counsel for plaintiffs has withdrawn the '960 and '165 patents from this litigation, practically admitting their invalidity. He stated that "while [prior] patent counsel may have believed these patents were valid, that they were certainly very close patents to the prior art . . ."[42]

Of course, the House of Lords was not concerned with the further problems with respect to '697 whether the specifications disclose the "metallic resist" process or method. See Bendix, 218 F. Supp. 1, 15-18; 45-46; Commissioner Davis, 164 U.S.P.Q. 584, 587-589.

After a review of the Bendix case, and of plaintiffs' Briefs and Exhibits tendered herein, this Court does not believe that either it, or the Fourth Circuit Court of Appeals failed to grasp or understand the problems presented, or "the technical subject matter and issues in suit", or the evidence with respect thereto.

• • • •

(E) The allowance of the pleas of estoppel is just and equitable.

In substance, present patent counsel argue that prior patent counsel failed adequately to enlighten the court (and, presumably, that this Court's independent efforts likewise did not effect such enlightenment). An ad hominem reply would be that present counsel has likewise failed in this respect. Change of counsel, although it may effect a different approach, cannot affect the existence of facts, the nature of outstanding patents, or literature in the field involved. Eisler frequently changed his patent attorneys with astounding (but undeserved) success in the Patent Office. That has not been true in the courts.

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[41] Lord Diplock, p. 10.

[42] Informal status conference of 5/27/71, pages 124-125.

In Bendix, local counsel were the same as local co in these cases.

In Bendix, present patent counsel's senior partne on the brief of appellants in the United States Co Appeals for the Fourth Circuit, and on the brief o pellants in their Petition for Rehearing En Banc.

Plaintiffs' present patent counsel was "of counse the Court of Claims case. 164 U.S.P.Q. 584, 585.

Plaintiffs had their "day" (or weeks) in court, in was described by their counsel as "a test case."[43] have been unable to persuade Commissioner Davis Court of Claims, on presumably the arguments adv and evidence tendered here, that '697 is valid. They likewise been unable to convince this Court that '6 valid, or that a further trial would result in a diff decision; or that the chances thereof are sufficient to tify the time and expense of an additional trial.

This Court is satisfied beyond a reasonable doubt considered "in a principled way . . . it is just and table to allow the plea[s] of estoppel in the case[s] b it."[44]

The pleas of estoppel are sustained, and the case DISMISSED.

R. DORSEY WATKINS
United States District Ju

TRUE COPY
TEST:

PAUL R. SCHLITZ
Clerk

By LA VERNE E. HAINES
Deputy Clerk

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[43] Petition for Rehearing En Banc, page 1.
[44] 402 U.S. 313, 334.

CHNOGRAPH PRINTED CIRCUITS, LTD., and Technograph Printed Electronics, Inc., Plaintiffs-Appellants,

v.

ARTIN-MARIETTA CORPORATION, Defendant-Appellee.

CHNOGRAPH PRINTED CIRCUITS, LTD., and Technograph Printed Electronics, Inc., Plaintiffs-Appellants,

v.

ESTINGHOUSE ELECTRIC CORPORATION, Defendant-Appellee.

CHNOGRAPH PRINTED CIRCUITS, LTD., and Technograph Printed Electronics, Inc., Plaintiffs-Appellants,

v.

DONNELL AIRCRAFT CORPORATION, Defendant-Appellee.

CHNOGRAPH PRINTED CIRCUITS, LTD., and Technograph Printed Electronics, Inc., Plaintiffs-Appellants.

v.

TERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION, Defendant-Appellee.

Nos. 72-1597 to 72-1600.

United States Court of Appeals, Fourth Circuit.

Argued Nov. 1, 1972.

Decided Feb. 20, 1973.

Patent infringement suit. The United States District Court for the District of Maryland, R. Dorsey Watkins, J., 340 F.Supp. 423, dismissed and plaintiff appealed. The Court of Appeals, Widener, Circuit Judge, held that where, in connection with issue of obviousness, point had been raised in prior infringement proceedings that many who possessed more than ordinary skill in art had failed to discover processes described by patent in issue, notes of person who had more than ordinary skill in the art and who experimented but failed to discover patented process were cumulative and did not constitute "crucial evidence," within rule precluding estoppel by judgment on basis of prior adjudication holding patent invalid when patentee in prior litigation was deprived of crucial evidence without his fault; thus, fact that notes had not been admitted in prior case did not prevent defendants in instant case from relying on defense of estoppel.

Affirmed.

1. Patents ⇐324(5¼)

Inasmuch as Court of Appeals had affirmed district court's holding of invalidity of patents on basis of obviousness in light of prior art, any error in lower court's dictum of possible invalidity for indefiniteness and its ruling on anticipation would be immaterial. 35 U.S.C.A. § 103.

2. Patents ⇐327(14)

Even if court in prior infringement case had improperly considered one other patent, where plaintiffs had fair chance to litigate issue in prior proceeding and did not do so, issue could not properly be raised in a second proceeding by plaintiffs in infringement action against other defendants.

3. Patents ⇐18

Failure of others to achieve results of patent does not necessarily make patent nonobvious; such failure is only evidence that court may look to, in applying objective test of statute pertaining to obviousness, along with all other evidence in the case. 35 U.S.C.A. § 103.

4. Patents ⇐327(14)

Where, in connection with issue of obviousness, point had been raised in infringement proceedings that many who possessed more than ordinary skill in art had failed to discover processes described by patent in issue, notes of person who had more than ordinary skill in the art and who experimented but failed to discover patented process were cumulative and did not constitute "crucial evidence," within rule precluding estoppel by judgment on basis of prior adjudication holding patent invalid when patentee in prior litigation was deprived of

crucial evidence without his fault; thus, fact that notes had not been admitted did not prevent defendants in later infringement case from relying on defense of estoppel. 35 U.S.C.A. § 103.

See publication Words and Phrases for other judicial constructions and definitions.

5. Patents ⇐327(14)

Where patentee had outline of testimony of person who allegedly had experimented with and not succeeded in achieving patented process, failure of patentee to even attempt to take such person's discovery deposition was sufficient to take notes of such person out of the "no fault of their own" requirement of rule precluding estoppel by judgment on basis of prior adjudication holding patent invalid when patentees in prior adjudication were deprived of crucial evidence through no fault of their own. 35 U.S.C.A. § 103.

6. Patents ⇐327(14)

Plaintiffs against whom decision had been entered in prior patent infringement case in United States were not entitled to relitigation of issue in action against another defendant on basis that the British House of Lords had sustained validity of British patent which was similar to an American patent that was broader than the American patent in issue.

7. Patents ⇐327(14)

In action for infringement of patent, wherein defendant relied on defense of collateral estoppel on basis of prior litigation in which the patent had been held to be invalid, plaintiffs failed to establish that they had not had a full and fair opportunity in the prior litigation to litigate the validity of the patent; thus, it was equitable to allow defendant's plea.

Sidney Bender, New York City (Anson Lewittes, Leventritt, Lewittes & Bender, New York City, on brief), for plaintiffs-appellants.

Edward F. McKie, Jr., Washington, D. C. (Benjamin C. Howard and Miles & Stockbridge, Baltimore, Md., on brief), for defendant-appellee, Martin-Marietta Corp.

William E. Schuyler, Jr., Schuyler, Birch, Swindler, McKie & Becker, Washington, D. C., on brief, for defendant-appellee, Westinghouse Electric Corp.

Jervis Spencer Finney, Ober, Grimes & Shriver, Baltimore, Md., Charles E. Walker, Albert E. Fey and Fish & Neave, New York City, on brief, for defendant-appellee, McDonnell Aircraft Corp.

Dana M. Raymond, Brumbaugh, Graves, Donohue & Raymond, New York City, Norwood B. Orrick and Venable, Baetjer & Howard, Baltimore, Md., on brief, for defendant-appellee, International Telephone and Telegraph Corp.

Before BUTZNER, FIELD and WIDENER, Circuit Judges.

WIDENER, Circuit Judge.

These cases arose when the plaintiffs (appellants) filed patent infringement suits against the defendants (appellees) in the United States District Court for the District of Maryland. The plaintiffs are, respectively, the owner and exclusive licensee under Eisler's United States Patent No. 2,706,697 ('697

1. The first Eisler application for a United States Patent, Serial Number 520,991, was filed February 3, 1944. As a result of such application, Patent No. 2,441,960 ('960) issued on May 25, 1948. On February 27, 1948, divisional application 11,798 was filed out of which Patent No. 2,587,568 issued on February 26, 1952, and was subsequently reissued on June 12, 1956 as United States Reissue 24,165 ('165). Divisional application 11,798 was further divided by Application 261,989, filed December 17, 1951, and as a result Patent No. 2,706,697 ('697) issued on April 15, 1955. Patent '697 is the only one in issue in this case since plaintiffs voluntarily stipulated to dismissal with prejudice, contentions concerning patents '165 and '960.

Patent '697 describes what is called the metallic resist process for the manufacture of printed electrical circuits. The process

e complaints allege that the defend-
s infringed Claims 4 and 10–14 inclu-
e of '697. The defendants pleaded
ateral estoppel, claiming that the
ue issues before the court had been
ersely decided against the plaintiffs
Technograph Printed Circuits, Ltd. v.
ndix Aviation Corporation, 218 F.
pp. 1 (D.Md.1963), aff'd. 327 F.2d
(4th Cir. 1964), cert. den. 379 U.S.
, 85 S.Ct. 53, 13 L.Ed.2d 36 (1964)
ereinafter *Bendix*). The district
rt sustained the defendants' pleas of
oppel and dismissed the cases.[2] We
irm on the authority of Blonder-
ngue Laboratories, Inc. v. University
Illinois Foundation, 402 U.S. 313, 91
t. 1434, 28 L.Ed.2d 788 (1971).

n *Blonder-Tongue*, the Supreme
rt granted certiorari following a con-
t between the Seventh and Eighth
cuits as to the validity of the patent
re in question. The Eighth Circuit
d previously held the patent invalid in
uit by the Foundation as plaintiff
inst another defendant. The Seventh
cuit, in a suit by the Foundation as
intiff, found the patent to be valid
d infringed by Blonder-Tongue Labo-
tories. The court did not determine
e issue of validity but overruled Trip-
t v. Lowell, 297 U.S. 638, 56 S.Ct.
5, 80 L.Ed. 949 (1936), insofar as it
eclosed a plea of estoppel by judg-
nt by a defendant facing a charge of
fringement of a patent brought by a
intiff which had previously, as a
intiff, had the patent declared invalid
litigation concerning the validity of
e patent.[3] The court abolished the
ctrine of mutuality of estoppel in such patent cases. It held that a plea of estoppel by judgment could be affirmatively asserted by a defendant where the issue decided in the prior adjudication was identical with the one presented in the present action, where there was a final judgment on the merits in the prior case, and where the party-plaintiff against whom the plea was asserted was a party-plaintiff, or was in privity with such party-plaintiff, who received the adverse decision in the prior adjudication. The following excerpt from the opinion is the best expression of the court's reasoning and explains the standards to be followed in determining whether or not such a plea of estoppel should be sustained:

> "Even conceding the extreme intricacy of some patent cases, we should keep firmly in mind that we are considering the situation where the patentee was a plaintiff in the prior suit and chose to litigate at that time and place. Presumably he was prepared to litigate and to litigate to the finish against the defendant there involved. Patent litigation characteristically proceeds with some deliberation and, with the avenues for discovery available under the present rules of procedure, there is no reason to suppose that plaintiff patentees would face either surprise or unusual difficulties in getting all the relevant and probative evidence before the court in the first litigation.
>
> "Moreover, we do not suggest, without legislative guidance, that a plea of estoppel by an infringement or royalty

starts with an insulation-backed metal foil. A negative circuit imprint is made on the foil in acid resistant ink. Dissimilar metal is then plated onto the bare foil areas. The ink is then removed from the foil areas and the foil which is then bared is etched away in an acid bath that attacks the foil, but not the dissimilar metal. This leaves unetched the dissimilar metal and the foil protected thereunder. The effect is that the plated dissimilar metal acts as a resist to protect the underlying foil areas from being etched away.

2. Technograph Printed Cir. Ltd. v. Martin-Marietta Corp., 340 F.Supp. 423 (D.Md. 1972), appealed in these cases.

3. On remand, Blonder-Tongue plended estoppel and the district court, although it previously had held the patent valid, sustained the plea and entered judgment for the defendant. University of Illinois Found. v. Blonder-Tongue Lab. Inc., 334 F.Supp. 47 (N.D.Ill.1971), aff'd. 465 F. 2d 380 (7th Cir. 1972).

suit defendant must automatically be accepted once the defendant in support of his plea identifies the issue in suit as the identical question finally decided against the patentee or one of his privies in previous litigation. Rather, the patentee-plaintiff must be permitted to demonstrate, if he can, that he did not have 'a fair opportunity procedurally, substantively and evidentially to pursue his claim the first time.' Eisel v. Columbia Packing Co., 181 F.Supp. 298, 301 (D.C.Mass.1960). This element in the estoppel decision will comprehend, we believe, the important concerns about the complexity of patent litigation and the posited hazard that the prior proceedings were seriously defective.

"Determining whether a patentee has had a full and fair chance to litigate the validity of his patent in an earlier case is of necessity not a simple matter. In addition to the considerations of choice of forum and incentive to litigate mentioned above, certain other factors immediately emerge. For example, if the issue is nonobviousness, appropriate inquiries would be whether the first validity determination purported to employ the standards announced in Graham v. John Deere Co., supra [383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545]; whether the opinions filed by the District Court and the reviewing court, if any, indicate that the prior case was one of those relatively rare instances where the courts wholly failed to grasp the technical subject matter and issues in suit; and whether without fault of his own the patentee was deprived of crucial evidence or witnesses in the first litigation. But, as so often is the case, no one set of facts, no one collection of words or phrases, will provide an automatic formula for proper rulings on estoppel pleas. In the end, decision will necessarily rest on the trial courts' sense of justice and equity.

"We are not persuaded, therefore, that the *Triplett* rule, as it was formulated, is essential to effectuate the purposes of the patent system or is an indispensable or even an effective safeguard against faulty trials and judgments. Whatever legitimate concern there may be about the intricacies of some patent suits, it is insufficient in and of itself to justify patentees relitigating validity issues as long as new defendants are available. This is especially true if the court in the second litigation must decide in a principled way whether or not it is just and equitable to allow the plea of estoppel in the case before it." (Footnotes omitted.)

402 U.S. at 332, 91 S.Ct. at 1444.

The first issue here is whether the parties-plaintiff in the present cases are the same parties-plaintiff as in *Bendix*. In *Bendix*, the plaintiffs were Technograph Printed Circuits, Ltd., and Technograph Printed Electronics, Inc. The plaintiffs in the present cases are Technograph Printed Circuits, Ltd., and Technograph Printed Electronics, Inc. Thus, the parties-plaintiff are the same in both instances and the requirement of *Blonder-Tongue* that the parties-plaintiff be identical or in privity has been met.

We turn to the next requirement of *Blonder-Tongue:* that the issues in both proceedings be identical. In *Bendix*, the district court held that claims 4, 5, 10, 14, 15, and 16 of '697 and certain claims of '165 and '960 were invalid for obviousness and anticipation. 218 F.Supp. 1, 31, 58. In the present appeal, no issue is raised concerning '165 or '960. Plaintiffs claim only that claims 4 and 10–14 inclusive of '697 were infringed by the defendants. Although it appears that the validity of claims 11, 12, and 13 of '697 were not specifically mentioned as being invalid in *Bendix*, an examination of those claims shows that they were dependent on claim 10,[4] which was

4. Patent 2,706,697 to Paul Eisler—April 19, 1955 "Manufacture of Electric Circuit Components."

Application February 27, 1948, Serial No. 11,798, now Patent No. 2,587,568 dated February 26, 1952, which is a divi-

eld invalid in *Bendix*. Also, the trial ourt's opinion states that the parties ere conceded that the issues in suit ere identical to the issues decided gainst plaintiffs in *Bendix* (340 F. upp. 423, 425), and this is not contest- d on appeal. Accordingly, the require- ent of *Blonder-Tongue* that the issues e identical in both proceedings has been mplied with.

The next step in determining whether *londer-Tongue* should apply is to ascer- ain whether plaintiffs were given a full nd fair opportunity, procedurally, sub- tantively, and evidentially, to litigate he validity of '697 in *Bendix*. We con- lude that they were.

The *Bendix* trial took twenty-nine ourt days, during which the plaintiffs filed 458 exhibits and the defendants 43 exhibits. Several additional days were spent by the court in visiting the plants of Bendix and of licensees of the plaintiffs. Following the last day of trial, the parties filed additional briefs, over 600 pages, followed by two days of argument. No claim was made then, nor is any made now, that the court, in *Bendix*, excluded any relevant evidence that was offered.

In its decision in *Bendix*, the district court discussed the background of Dr. Paul Eisler, the applicant in '697.[5] The court continued by setting out the claims in issue and the positions taken by the parties to the suit.[6] The court then traced, in a painstakingly detailed process that need not be repeated here, the history of the three Eisler patents in the Patent Office.[7]

In discussing the issue of validity, the court recognized the statutory presump-

sion of application Serial No. 520,991, February 3, 1944, now Patent No. 2,441,960, dated May 25, 1948. Divided and this application December 17, 1951, Serial No. 261,989.

CLAIMS

4. A method of manufacturing the conductive metal portions of electric and magnetic circuits of the kind including a conductive pathway pattern upon an insulation backing comprising the steps of printing a negative representation of the desired pathway pattern upon the metal surface of a sheet of foil clad insulation, thereupon depositing dissimilar metal upon the unprinted surfaces of the foil, and finally removing the foil from the imprinted areas whereby an insulation backed metallic pathway pattern is formed.

10. A method of manufacturing a component of electric and magnetic circuit systems involving an insulation backed conductive pathway pattern, which comprises providing insulation backed foil, then printing a negative representation of the pattern upon said foil, depositing a layer of metal dissimilar to the metal of said foil upon all exposed parts of said foil, then removing said representation from the foil, and finally removing all parts of the foil exposed by said removal of the representation by chemical action attacking the metal of said foil but not said deposited dissimilar metal whereby said pathway pattern is formed.

11. The method of claim 10 wherein the negative representation of the pattern is produced by letterpress printing.

12. The method of claim 10 wherein the negative representation of the pattern is produced by offset printing.

13. The method of claim 10 wherein the negative representation of the pattern is produced by photo-mechanical means.

14. A method of manufacturing a component of electric and magnetic circuit systems involving an insulation backed conductive pathway pattern, which comprises providing insulation backed foil, then printing a negative representation of the pattern upon said foil with a resist medium, then depositing by electrodeposition a layer of a metal dissimilar to the metal of said foil upon all exposed parts of said foil, then removing the resist medium, and finally etching away all parts of said foil exposed by the removal of the medium in a bath attacking the metal of said foil but not said dissimilar metal whereby said pathway pattern is formed.

In Bendix, claims 4, 10, and 14 were specifically held invalid. 218 F.Supp. 1, 58. An examination of claims 11, 12, and 13 shows that they are dependent on claim 10, so that the holding of invalidity as to claim 10, of necessity, invalidated these claims also. Thus, the issues before the court in *Bendix* and the present cases are identical.

5. *Bendix*, 218 F.Supp. pp. 3–5.

6. *Bendix*, pp. 5–7.

7. *Bendix*, pp. 7–23.

tion of validity of a patent from the fact of its issuance and that the burden on one attacking the validity of the patent is heavy. *Bendix*, 218 F.Supp. at 23. The court also recognized that the presumption of validity was weakened by the failure of the Examiner to cite a number of patents pertinent to the validity of plaintiffs' patents in issue. *Bendix* at 23. It then considered the state of the art prior to, and at the time of, Eisler's claimed inventions. In discussing the state of the prior art, the court not only considered those patents considered by the Examiner in the prosecution of the Eisler patents,[8] but also patents not mentioned by the Examiner, which the court felt were pertinent to the validity of Eisler's patents. Concerning the metallic resist claim of '697, the court said that patents by Newton, Stubbles, McFarland, Dejey, and Payne were not cited by the Examiner, but that they clearly disclosed a metallic resist concept. *Bendix* at 37. Patents which were before the court and which were considered by it with respect to the Eisler patents were: Stevens and Dallas application No. 184,419, incorporated by reference in Stevens and Dallas Patent No. 2,219,497; Bassist, Patent No. 1,525,531; Miller, Patent No. 1,804,021; Pilkington, British Patent No. 461,275; Whilems, British Patent No. 454,937; Littledale, British Patent No. 327,356; O'Connell, Patent No. 2,288,735; the Russian Patent 59,791 to Abramson and Kabakova and the article published by them in 1940; Ducas, Patent No. 1,563,731; Norris, Patent No. 2,282,203; and Rubin, Patent No. 2,443,119, as well as others. See *Bendix*, supra, 218 F.Supp. 1.

The district court considered the Stevens and Dallas application to be a complete anticipation of the alleged Eisler inventions. But the court did not stop there; it continued, saying:

"Should another court find that the alleged Eisler inventions were not identically disclosed or described in the Stevens and Dallas application, this court unhesitatingly finds and holds that 'the differences between the subject matter sought to be patented and the prior art' were 'such that the subject matter as a whole would have been obvious at the time the (alleged) invention(s) (were) made to a person having ordinary skill in the art to which said subject matter pertains'." (35 USC § 103)

. . . . . .

"Even apart from the Stevens and Dallas application the court holds that the other prior art, cited and uncited by the Examiner conclusively shows lack of novelty." 218 F.Supp. at 31.

It found as a fact that the progress of printed circuitry was attributable to the development of a satisfactorily bonded metal clad laminate rather than any gain in the knowledge of the printing and etching of metals. The court said: ". . . many were working at about the same time as Eisler on printing and etching techniques. None succeeded commercially until a satisfactory bonding of metal to insulation was obtained; thereafter, many succeeded." 218 F. Supp. at 52.

Throughout the district court's opinion in *Bendix*, there is shown painstaking deliberation by the court to consider the contentions presented by both sides. There is absolutely no evidence that the plaintiffs did not have a full and fair opportunity to litigate the validity of patent '697 in *Bendix*, procedurally, substantively, and evidentially. The opportunity to litigate standards of *Blonder-Tongue* were met in the district court.

The patents[9] having been declared invalid by the district court, plaintiffs appealed to this court. Both parties filed extensive briefs and were given two hours each for oral argument.

Plaintiffs, on appeal, urged that the lower court had erred in holding that

8. *Bendix*, pp. 7–23.

9. See 218 F.Supp. 1, 58 for the precise patent and claim numbers invalidated by the decision.

he Stevens and Dallas application was
a anticipation of the Eisler patents in
uit. In oral argument, counsel for Ben-
ix admitted that the Stevens and Dallas
pplication was not an anticipation of
he metallic resist method of '697, so
his court was not misled by the too
road holding of the district court.

The plaintiffs next urged that the dis-
rict court erred in holding that the Eis-
r patents were invalid for obviousness.
hey contended that the district court
ailed to use an objective standard in de-
ermining the issue of obviousness. The
tandard they claimed the court should
ave used was whether or not the Eisler
nventions, at the time they were made,
ere obvious to a person of ordinary
kill in the art. One of the basic themes
f plaintiffs' appeal in *Bendix*, then, was
hat the district court applied the wrong
tandard as to obviousness and thus
ailed to grasp the issues and possibly
he technical aspects of the subject mat-
er in suit.

This court considered the above alle-
ations along with the other contentions
aised by the plaintiffs in their appel-
ate briefs and affirmed the decision of
he district court. The affirmance was:

"After careful consideration of the record, the arguments and the briefs of counsel, we are persuaded that the patent claims are invalid for obviousness in the light of the prior art for the reasons discussed in the opinion of the District Court. Technograph Printed Circuits, Ltd. v. Bendix Aviation Corp., D.C.Md., 218 F.Supp. 1. Affirmed." 327 F.2d at 498.

Instead of mentioning anticipation in
he opinion, the contentions raised by
he plaintiffs as to obviousness were
onsidered and rejected. In affirming
he district court's decision, the court
learly held plaintiffs' patent claims
ere invalid for obviousness, necessarily
olding that the trial court did apply an
bjective standard in determining the is-
ue of obviousness.

Having received an adverse decision
om a panel of this court, plaintiffs filed a Petition For Rehearing En Banc. In their petition, they stated that *Bendix* was a test case and contended that the district court and the panel of this court both failed to apply the objective test for obviousness. They also contended that since Bendix's counsel admitted in oral argument that the Stevens and Dallas applications did not anticipate the metallic resist method of '697, the panel should not have affirmed on the basis of the district court's opinion as to obviousness because it was in error as to the anticipation issue. The court did not grant the Petition For Rehearing, emphasizing the decision of its panel.

Plaintiffs next sought certiorari in the United States Supreme Court, which was denied in Technograph Printed Circuits, Ltd., et al. v. Bendix Corp., 379 U.S. 826, 85 S.Ct. 53, 13 L.Ed.2d 36 (1964).

In the face of recited adverse rulings in *Bendix*, the plaintiffs continued with infringement suits here, in the same district court, against the present defendants, relying on the rule of *Triplett* for the proposition that an adverse adjudication as to the claims of infringement of a patent does not preclude another suit on the same claims against a different defendant. While these suits were pending, in May, 1971, the Supreme Court decided *Blonder-Tongue*. There, as recited before, the court overruled *Triplett* to the extent of allowing a plea of collateral estoppel under the conditions set forth in *Blonder-Tongue*. The defendants here then pleaded collateral estoppel and moved to dismiss on the basis of *Blonder-Tongue*. After careful consideration of the briefs and argument of counsel for all parties involved, consideration of the *Bendix* case and its history and record, and a consideration of what plaintiffs alleged to be new evidence, the district court granted the motion to dismiss.

The court below held as follows:

"It is the Court's firm opinion that: (A) Plaintiffs in *Bendix* had 'a fair opportunity procedurally, substantive-

ly and evidentially to pursue' their 'claim the first time'; (B) the standards with respect to obviousness announced in Graham v. John Deere, 383 U.S. 1, 10, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966) were met; (C) The opinions in the *Bendix* case do not indicate that it was one of those 'rare instances where the courts wholly failed to grasp the technical subject matter and issues in suit'; (D) the plaintiffs were not deprived 'without fault' of their own 'of crucial evidence or witnesses' in the *Bendix* case; and (E) 'it is just and equitable to allow the plea of estoppel' in these cases." (Footnotes omitted) 340 F.Supp. at 425.

The district court set forth in detail its reasons for granting the motion in a well written opinion by Judge Watkins. 340 F.Supp. 423.

[1] The plaintiffs appealed. Their first contention in this court is that *Bendix* determined that the metallic resist process of '697 was disclosed by Eisler's filing of patent '960 on February 3, 1944. Thus, plaintiffs contend that the lower court's dictum about possible invalidity of '697 for indefiniteness, both in *Bendix* (218 F.Supp. at 43) and below (340 F.Supp. at 433), was wrong. The argument is also made by inference in plaintiffs' first contention that the district court's ruling on anticipation was also erroneous. Since this court in *Bendix* affirmed the district court's holding of invalidity of the Eisler patents, including '697, on the basis of obviousness, in light of the prior art, it is difficult to see the materiality of plaintiffs' first point.[10] The issue in the present cases is whether plaintiffs are estopped from litigating the validity of patent '697 after this court's affirmance in *Bendix* holding that '697 was invalid for obviousness, not whether a dictum of the district court and a point previously disposed of by concession are free from objection. We are of opinion that the first contention of plaintiffs does not disclose error.

The second point on appeal is that both the district court and this court in *Bendix* "wholly failed to grasp the technical subject matter and issues in suit." *Blonder-Tongue*, 402 U.S. at 333, 91 S.Ct. at 1445. This point is based on the holding of the district court in *Bendix* that the Stevens and Dallas application anticipated all three of Eisler's patents.[11] Plaintiffs also say that the district court misread Stevens and Dallas and Whilems as teaching a metallic resist process. Because of this court's reliance in *Bendix* on the district court's opinion as to obviousness, plaintiffs contend that both courts were confused as to the subject matter in suit in *Bendix*.

Contrary to plaintiffs' assertion, the fact that all contentions concerning anticipation were disposed of without controversy and not considered by this court made it crystal clear that they were no longer any part of the case. To repeat, during oral argument, counsel for Bendix admitted that the Stevens and Dallas application was not an anticipation of the metallic resist method of '697. This court did not affirm the district court in *Bendix* on the basis of anticipation, but on the ground of obviousness. Thus, the panel did understand the effect of the disclaimer by Bendix's counsel and neither approved of nor considered the district court's holding with reference to anticipation in affirming the decision of invalidity as to '697.

Having again reviewed the actions of the district court in *Bendix*, we are of opinion that the district judge did not misconstrue Whilems or Stevens and Dallas to the extent that he wholly failed to understand the technical sub-

10. This might possibly be relevant if it were intended to show that the district court was confused about the subject matter in suit. However, even if asserted for this proposition, this court is of opinion that it is without merit.

11. See note 10. The continued assertion of this point, disposed of by concession in the *Bendix* appeal, might lend itself to the inference that it is a tactical diversion.

ject matter and issues. Whilems, the Stevens and Dallas application, and Eisler all concerned themselves with the use of various printing and engraving techniques to make electrical circuits. Where the district court erred in *Bendix* on the issue of anticipation was his necessary holding that the precise claims of the Stevens and Dallas application anticipated Eisler '697. Even if Whilems and the Stevens and Dallas application were so misconstrued by the district court, we are of opinion that the opinion in *Bendix* clearly shows that this was not "one of those relatively rare instances where the courts wholly failed to grasp the technical subject matter and issues in suit." [12] The issue of anticipation having been removed, there is no evidence to show that this court wholly failed to grasp the situation in *Bendix*, either the issues or technical subject matter.

Plaintiffs next contend that the district court, in *Bendix*, failed to apply the standards set out in Graham v. John Deere Co., 383 U.S. 1, 17, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966).[13] They allege that it failed to indicate why it would have been obvious to a person of ordinary skill in the electrical art to look to the non-electrical arts to make bimetallic conductive pathway patterns for electrical components. Further, it is argued that since the district court misread the Stevens and Dallas application, it was not able to accurately apply the objective standards of *Graham*.

Graham was decided subsequent to *Bendix* but did not change the test of 35 U.S.C. § 103.[14] It merely set out inquiries to be made in determining whether a patent is obvious under § 103 and gives effect to the objective test for obviousness set out in the statute.

In *Blonder-Tongue*, the court said that one of the appropriate inquiries where the issue was that of obviousness should be ". . . whether the first validity determination purported to employ the standards announced in Graham v. John Deere Co., supra." 402 U.S. at 333, 91 S.Ct. at 1445.

In the instant cases, it is the opinion of the court that the district court in *Bendix* did employ the standards required by *Graham*. The district court specifically held that the Eisler patents, including '697, were invalid for obviousness because they "would have been obvious at the time the [alleged] invention[s] [were] made to a person having ordinary skill in the art." 218 F.Supp. at 31. Throughout the district court's opinion, it discussed in detail the scope and content of the prior art as well as

12. The *Bendix* opinion shows that the trial judge understood the technical subject matter and the issues in suit. He spent four days of travel visiting the plants of licensees and of Bendix; spent twenty-nine court days trying the case; and had numerous pre-trial conferences. Plaintiffs do not contend that his description of the Eisler patents in *Bendix* was wrong or that his description of plaintiffs' contentions at 218 F.Supp. 6 was inaccurate. They merely assert that he misread two of the numerous patent documents discussed in the opinion. Surely even if this were so, it would not be a case where a judge "wholly fails to grasp the technical subject matter and issues in suit." As the Supreme Court said in *Blonder-Tongue*: "But assuming a patent case so difficult as to provoke a frank admission of judicial uncertainty, one might ask what reason there is to expect that a second district judge or court of appeals would be able to decide the issue more accurately." 402 U.S. at 331, 91 S.Ct. at 1444.

13. ". . . under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined." 383 U.S. at 17, 86 S.Ct. at 694.

14. Section 103 of 35 U.S.C. provides that a patent is invalid for obviousness "if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains."

the differences between the prior art and the claims at issue in *Bendix*. 218 F.Supp. 1, 25–38. Concerning the level of ordinary skill in the art, it is inconceivable that the district court could have held the Eisler patents invalid because they "would have been obvious at the time the [alleged] invention[s] [were] made to a person having ordinary skill in the art to which said subject matter pertains" [15] without considering such a standard. At 218 F.Supp. 24, the court said:

> "When available literature, both patents and publications, not cited, is considered, and also the ability of persons unaware of the alleged inventions to reach the same results by the same means, the court has no hesitation in holding the patents, and the claims in suit, to be invalid."

This court is satisfied that the just quoted language from *Bendix* shows that the district court did consider the level of ordinary skill in the art in determining that Eisler's patent '697 was invalid for obviousness[16] and that the standard used by the district court is compatible with that required by *Graham*.[17]

[2] Plaintiffs also raise an issue that the Norris Patent No. 2,282,203 ('203), issued May 5, 1942, was improperly considered by the court in *Bendix*. Even if this were true, plaintiffs have shown no reason why they could not have made the same argument to this court in the *Bendix* appeal. They had a fair chance to litigate the issue in *Bendix* and it may not be raised now. In all events, it does not show that the district court, in *Bendix*, did not grasp the technical subject matter or the issues involved.

The fourth point on appeal is that plaintiffs were deprived of crucial evidence through no fault of their own. The crucial evidence to which plaintiffs refer is the September 30, 1943 notes of one Milton D. Rubin.[18] They contend

15. 218 F.Supp. at 31.

16. The use of an objective standard, in accordance with § 103, in determining the issue of obviousness has been the rule in this circuit at least since 1961. Honolulu Oil Corporation v. Shelby Poultry Company, 293 F.2d 127, 131 (4th Cir. 1961). There is no reason to believe nor evidence to show that the district court, in *Bendix*, applied anything other than the objective test of obviousness required by *Graham*. The record shows that plaintiffs' main argument in their Petition For Rehearing En Banc to this Court in *Bendix* was that an objective standard was not used in determining the issue of obviousness. With the issue then squarely before the court, the Petition was not granted, and again we do not accept the argument on this point.

In Anderson's-Black Rock v. Pavement Co., 396 U.S. 57, 90 S.Ct. 305, 24 L.Ed. 2d 258 (1969), the court held that a patent combining known elements, a radiant-heat burner, a spreader, and a tamper and screed, on one chassis was invalid because it was "reasonably obvious to one with ordinary skill in the art." 396 U.S. at 60, 90 S.Ct. at 307. In dealing with the issue of obviousness, the court quoted the factual inquiries set out in *Graham*, and then said: "We conclude further that to those skilled in the art the use of the old elements in combination was not an invention by the obvious-nonobvious standard." 396 U.S. at 62, 90 S.Ct. at 309.

Nowhere in *Anderson's-Black Rock* did the Supreme Court set out what was the level of ordinary skill in the pertinent art, but the court necessarily considered it because of the holding that the patent was obvious.

17. The district court's discussion of the development of printed electrical circuits, the various pertinent patents and related documents, the state of the prior art, the comparison between the prior art and Eisler, is remarkably similar to the Supreme Court's factual analysis in *Graham*.

18. The Rubin notes of September 30, 1943 read as follows: "9/30/43–Gum bichromate albumen photomechanical process—for producing unitary process electronic circuit.

Plate silver on plastic by mirror process of chemical deposition.

Then coat with gum bichromate albumen or cold enamel. Then expose with negative having opaque lines of circuit, remainder transparent. Then treat with etching ink, and develop, removing albumen from lines of circuit, exposing the

that counsel for Bendix and Rubin, himself, misled them into a self-confessed failure to get access to the Rubin notes. They argue that they should not be collaterally estopped from asserting the validity of '697 because not having the Rubin notes prevented them from having a full and fair opportunity to litigate the issue of validity in the *Bendix* case.

First, the plaintiffs allege that the Rubin notes were crucial evidence because they wanted to show that Rubin, being a person well beyond the ordinary skill in the art,[19] had experimented with dissimilar metals but failed to discover the metallic resist process revealed in '697. They argue that these notes, showing a failure to achieve the metallic resist process by one skilled in the art, could have resulted in a different result on the issue of obviousness of '697 in the *Bendix* case.

[3] It should first be pointed out that the Supreme Court, in *Graham*, gave effect to the objective test for obviousness under § 103. After setting out the three basic factual inquiries to be made in applying such objective test, the opinion then stated:

"Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy." 383 U.S. at 17, 86 S.Ct. at 694.

Thus, the failure of others to achieve the results of an allegedly valid patent does not necessarily make that patent non-obvious; such failure is only evidence that the court may look to in applying the objective test of § 103 along with all the other evidence in the case. It is not controlling as a matter of law and is a secondary consideration.[20]

[4] We turn now to the question of just how crucial the Rubin notes were to plaintiffs' case in *Bendix*. At p. 38 of their brief, plaintiffs state that the Rubin notes, "plus the stated prior art failures, is *objectively* persuasive of obviousness of '697." Although plaintiffs' statement may be abstractly correct, we believe that the Rubin notes, had they been introduced in the *Bendix* trial, probably would not have caused a different result. We feel that these notes would have been merely cumulative evidence entitled to secondary consideration. See *Graham*. In plaintiffs' appeal in *Bendix*, the point is raised that many who possessed more than ordinary skill in the art had failed to discover the processes described by Eisler's alleged inventions, thus showing non-obviousness. (See Brief of Plaintiffs in *Bendix*, p. 30.) Rubin's notes were at best cumulative. This court rejected this argument then, and we are of opinion now that the presentation of the Rubin notes would not have changed our decision, especially

pure silver base, leaving the remainder coated. Then treat with resin (rosin, asphaltum or dragonsblood powder) if cold enamel was not used, and burn in. Then plate circuit on in copper clear the resist off with strong potash or lye (caustic) sol. and silver off with nitric acid and then silver plate and lacquer.

This method can also be used for plating solder or brazing alloy on fittings to be furnace-brazed. This constitutes an accurate method of placing solder or braze at joints." (Appendix Vol. II, p. 190a.)

19. Rubin's patent No. 2,443,119 ('119) used the same metal and not a dissimilar metal when plating upon the conductive surface not covered by the greasy ink. Then the ink was removed and the metal covered by the ink was etched away by an acid bath. However, during this process, the deposited added metal was attacked by the acid as well as the base metal.

Eisler's '697 process used a dissimilar metal over the base metal which protected the base metal under it during the etching process.

20. We realize that much evidence as to non-obviousness must, of necessity, be negative evidence.

since they were cumulative evidence of a secondary character.[21] We do not then consider the Rubin notes crucial evidence within the meaning of *Blonder-Tongue*.

Assuming, however, the Rubin notes to be crucial evidence, the record shows that plaintiffs were not deprived of them through no fault of their own.

Technograph purchased Rubin's patent '119 on July 7, 1954, for 1500 shares of Technograph common stock, but did not get his notes as to the conception of the patent. Early in 1961, as part of the pre-trial procedures, Bendix filed a "Supplemental Answer to Plaintiff's Interrogatory 6," which had asked Bendix to identify each instance of alleged prior invention of the subject matter of the patents in suit. Bendix's supplemental answer said that claims 4 and 10 through 16 of '697 were conceived of by Rubin as early as September, 1943. [The date of the notes is 9/30/43] (See Appendix B, p. B-12.) Pursuant to this information, plaintiffs interviewed Rubin and his attorney on September 5, 1961. At this conference, Rubin informed the plaintiffs that if they wanted him to search his files for such information, he would have to be paid. The plaintiffs assumed, without any basis, that Rubin wanted something in excess of his regular rates. They then terminated the interview because they say they felt that the Rubin process was fully set forth in his patent and that it was not related to the Eisler patents in suit. The plaintiffs paid Rubin and his counsel for their time spent in the interview and pursued the matter no further. On September 22, 1961, counsel for Bendix advised the trial court and plaintiffs' counsel that Rubin would testify in the *Bendix* case. In outlining the general testimony Rubin was expected to give, Bendix's counsel stated that Rubin would testify that during 1943 he conceived a process wherein "a negative representation of the desired circuit component was printed as by photographic means on the metal surface of a foil-plastic laminate, a dissimilar metal was deposited on the uncoated portions of the foil, the resist was removed, and the exposed metal was then removed by etching." (Appendix B, p. B-37.) On September 27, 1961, Bendix's counsel informed the trial court and plaintiffs' counsel that Bendix had decided not to call Rubin because it had been learned that Rubin had received payment from the plaintiffs for consultative services in the same litigation.[22] Rubin and his notes were not produced at the *Bendix* trial.

Plaintiffs now contend that the McKie memo of September 7, 1961[23] shows

21. It should also be noted that in plaintiffs' suit against the United States in the Court of Claims, Rubin was a witness and the notes were before Commissioner Davis. Presumably, plaintiffs made every argument as to the effect of Rubin's failure on the issue of obviousness of '697. Commissioner Davis, however, recommended that '697 be held invalid. He said, in reference to Rubin as a witness, that his testimony showed that "he routinely looked to old and well-known practices of the printing art in the search for better ways to make electrical components." (Appendix—Vol. III, p. 440a.) The Court of Claims has not yet decided whether or not to accept the recommendation of Commissioner Davis or whether or not to apply the doctrine of collateral estoppel under *Blonder-Tongue*.

22. It should also be remembered that Rubin had sold his patent '119 to Technograph for 1500 shares of Technograph common stock. The plaintiffs state in their brief that Rubin had disposed of this stock before September 5, 1961, but the record contains no contemporary reference to such disposal. The affidavit on which the statement is based is dated June, 1971. Whether the defendants knew of Rubin's stock ownership in Technograph is not known.

23. The McKie memo was written by Bendix's counsel, which did mention the Rubin notes of September 30, 1943. (Appendix Vol. II, pp. 216a-218a.) But, there is no indication whether Rubin showed counsel these notes or counsel found them on his own. Also, there is no indication when Bendix's counsel first saw them. Bendix's counsel obviously had seen the Rubin notes by January, 1961, possibly in September, 1960, when he examined Rubin's materials on a $20 per hour consulting basis. Appendix B, pp. B-12, B-23, B-25.

that counsel for Bendix knew that the Rubin notes showed a failure to achieve the metallic resist process of '697. They further allege that Bendix and Rubin misled them by implying that all the processes Rubin dealt with were set forth in his patent '119. Thus, they argue that they did not try to get Rubin's notes because they had his patent.

[5] We disagree with the contention that plaintiffs were misled by Bendix and Rubin. We believe that Bendix's supplemental answer to their interrogatory filed in January, 1961 and the September 22, 1961 outline of Rubin's expected testimony was more than sufficient to put plaintiffs on notice that Rubin might have notes on processes which were relevant to the subject matter in suit. Plaintiffs show no basis for their assumption that Rubin wanted more than his usual fee for searching his records. The truth probably is that both parties were uncertain of how Rubin's testimony might affect their case and therefore neither party called him to testify in the *Bendix* trial. Additionally, plaintiffs have offered no plausible excuse whatsoever for their failure to take the discovery deposition of Rubin. In view of the supplemental answer to the interrogatory and the outline of Rubin's proposed testimony, the failure to even attempt to take Rubin's discovery deposition, standing alone, would be sufficient to take the Rubin notes out of the "no fault of their own" requirement of *Blonder-Tongue*.

The fifth and final point that the plaintiffs raise here is that it is not just or equitable to estop them from relitigating the validity of Eisler's patent '697 in view of a decision in the House of Lords on February 24, 1971 which sustained the validity of British patent No. 639,178.[24] Plaintiffs claim that British patent '178 is similar to Eisler's American patent '165, which is broader than '697, and thus '697, being more narrow, is a stronger patent than '165 or '178. From this, plaintiffs argue that they should be allowed to relitigate the validity of '697 in light of the House of Lords decision.

[6] We disagree with plaintiffs' contention on this point. We agree with the analysis below of the House of Lords decision. 340 F.Supp. 423, 436-437. More importantly, allowing relitigation in the light of the House of Lords decision would allow subsequent litigation in light of a decision in a foreign forum which would not have been permitted in a domestic forum by *Blonder-Tongue*. We are not constrained to so weaken the *Blonder-Tongue* ruling by encouraging disappointed plaintiff patent holders to resort to a foreign forum in order to escape the consequences of domestic procedural rules in federal courts set out by the Supreme Court.

A final point which should be mentioned is that, prior to the decision in *Bendix*, plaintiffs had filed several actions in Chicago for infringement of the same patents. After the *Bendix* decision, the Chicago district court granted summary judgment of dismissal based on *Bendix*. The Seventh Circuit Court of Appeals reversed.[25] Upon remand to the district court, a class action was commenced.[26] The action was tried to the court. Before final argument, *Blonder-Tongue* was decided. The defendants then moved to dismiss on the ground of collateral estoppel based on *Bendix*. The district court in Illinois, after the decision of the district court in Maryland in the instant cases, sustained the pleas of estoppel, holding that plaintiffs had had a full and fair opportunity to litigate the issue of validity in *Ben-*

24. Mills & Rockley (Electronics) Ltd. v. Technograph Printed Circuits Ltd., House of Lords, (decided February 24, 1971), Appendix—Vol. II, pp. 178a-204a.

25. Technograph Printed Circuits v. Methode Electronics, 356 F.2d 442 (7th Cir. 1966), cert. den. 384 U.S. 950, 86 S.Ct. 1570, 16 L.Ed.2d 547 and 384 U.S. 1002, 86 S.Ct. 1925, 16 L.Ed.2d 1016 (1966). The basis for reversal was Triplett v. Lowell, supra, as expressed in Aghnides v. Holden, 226 F.2d 949 (7th Cir. 1955).

26. Technograph Printed Circuits, Ltd. v. Methode Electronics, 285 F.Supp. 714 (N.D.Ill.1968).

dix. Technograph Printed Circuits, Ltd., et al. v. Methode Electronics, Inc., et al., 174 U.S.P.Q. 197 (N.D.Ill.1972), appeal to the Seventh Circuit pending.

In conclusion, we should repeat the Supreme Court's statement in allowing the defense of collateral estoppel in patent cases:

> "Even conceding the extreme intricacy of some patent cases, we should keep firmly in mind that we are considering the situation where the patentee was plaintiff in the prior suit and chose to litigate at that time and place. Presumably he was prepared to litigate and to litigate to the finish against the defendant there involved. Patent litigation characteristically proceeds with some deliberation and, with the avenues for discovery available under the present rules of procedure, there is no reason to suppose that plaintiff patentees would face either surprise or unusual difficulties in getting all relevant and probative evidence before the court in the first litigation." 402 U.S. at 332, 91 S.Ct. at 1444.

[7] Here, the same plaintiffs considered *Bendix* a test case[27] by which they sought to establish the validity of Esler's patents '165, '960, and '697. They now seek to relitigate the issue of validity as to '697. They failed to convince the district court in *Bendix* of its validity, and they failed on appeal to convince us that the district court was wrong in the instant cases, plaintiffs have failed to convince the same district judge who decided *Bendix* that they did not have a full and fair opportunity to litigate in *Bendix*. Again, we agree with the district court. We are of opinion that the plaintiffs had a full and fair opportunity to litigate the validity of '697 in *Bendix* and that it is just and equitable to allow defendants' pleas of estoppel. We believe the instant cases show precisely why the Supreme Court, in *Blonder-Tongue*, overruled *Triplett* and commenced the sustaining of pleas of estoppel by judgment in certain patent cases.[28]

The judgment of the district court is accordingly

Affirmed.

27. Plaintiffs' Petition For Rehearing En Banc before this court in the *Bendix* appeal, p. 1.

28. *Blonder-Tongue* has either been applied, not applied, mentioned, or remand has been granted in light of it, in the following patent cases: University of Ill. Found. v. Blonder-Tongue Lab. Inc., 334 F.Supp. 47 (N.D.Ill.1971), aff'd. 465 F.2d 380 (7th Cir. 1972), (*Blonder-Tongue* on remand from the Supreme Court); Southwest Products Co. v. Heim Universal Corp., 443 F.2d 621, 624 (2nd Cir. 1971); Monsanto Co. v. Dawson Chemical Co., 443 F.2d 1035, 1038 (5th Cir. 1971), cert. den. 405 U.S. 974, 92 S.Ct. 1191, 31 L.Ed.2d 248 (1972); Grantham v. McGraw-Edison Co., 444 F.2d 210, 216 (7th Cir. 1971); Black, Sivalls & Bryson, Inc. v. National Tank Co., 445 F.2d 922, 926 (10th Cir. 1971); Woodstream Corp. v. Herter's, Inc., 446 F.2d 1143, 1149 (8th Cir. 1971); Boutell v. Volk, 449 F.2d 673, 677 (10th Cir. 1971); Business Forms Finishing Service, Inc. v. Carson, 452 F.2d 70, 74 (7th Cir. 1971); Monsanto Co. v. Rohm & Haas Co., 456 F.2d 592, 595, 604 (3rd Cir. 1972), cert. den. 407 U.S. 934, 92 S.Ct. 2463, 32 L.Ed.2d 817 (1972); Kaiser Industries Corp. v. Wheeling-Pittsburgh Steel Corp., 328 F.Supp. 365, 370 (D.Del.1971); Hickory Springs Mfg. Co. v. Freiman Bros. Furniture Co., 330 F.Supp. 978, 980 (S.D.Ill.1971); In Re Sucss Patent Infringement Litigation, 331 F.Supp. 549, 550 (Jud.Pan.Mult.Lit.1971); Butterfield v. Oculus Contact Lens Co., 332 F.Supp. 759, 761 (N.D.Ill.1971); Sampson v. Ampex Corp., 333 F.Supp. 59, 65 (S.D.N.Y.1971), motion for reargument den., 335 F.Supp. 242 (S.D.N.Y.1971); Nickerson v. Kutschera, 333 F.Supp. 1097, 1098 (D.Del.1971); Mobil Oil Corp. v. W. R. Grace & Co., 334 F.Supp. 117, 131 (S.D.Tex.1971); Blumcraft of Pittsburgh v. Architectural Art Mfg., Inc., 337 F.Supp. 853, 854 (D.Kan.1972), aff'd. 459 F.2d 482 (10th Cir. 1972); Ransburg Electro-Coating Corp. v. Spiller & Spiller, Inc., 340 F.Supp. 1385, 1389 (N.D.Ill.1972); In Re Yarn Processing Patent Validity Litigation, 341 F.Supp. 376 (Jud.Pan.Mult.Lit.1972); Blumcraft of Pittsburgh v. Kawneer Co., 341 F.Supp. 1018, 1019 (N.D.Ga.1971); Kaehni v. Diffraction Co., 342 F.Supp. 523, 526 (D.Md.1972); Dale Electronics, Inc. v. R. C. L. Electronics, Inc., 53 F.R.D. 531, 534 (D.N.H.1971).

Portions of Opinion in Technograph Printed Circuits, Ltd., et al v. The Bendix Corporation (Judge R. Dorsey Watkins, District of Maryland, May 27, 1963)

As to the metallic resist claims of '697, it has already been pointed out that Whilems disclosed the forma- [85] tion on a sheet of insulating material of "a resist which serves, during a subsequent step, to pre-

vent the transfer of metal to, or the removal of metal from, the parts of the sheet covered by the resist . . .

Other patents, also not cited of record in the prosecution of the patent in suit, clearly disclose the concept of the metal resist.

British Patent to Newton[163] is for a process for ornamenting metal surfaces. On a plate of polished metal is laid a layer of light-sensitive material, "capable of protecting those parts of the metal which are covered by it either from the action of an acid or a galvanic current."[164] The design is effected "in the camera, or through a negative reversed proof. . . ."

United States Patent to Stubbles[165] is directed to a process for ornamenting metals. After producing a negative resist pattern, nickel is deposited upon the unprotected surface, one of the purposes of which "is to serve as a resist against the action of an etching process either by fluid or electrolysis." Thereafter, having removed the resist, the plate is made the anode of an electric circuit, and the portions of the plate not covered by deposited nickel "are pitted or etched."

[86] Defendant's expert testified[166] that the nickel was acting as a metallic resist in the sense recognized in the art; and that in Stubbles straight etching and electrochemical etching were equated.

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163. 1835/1857, DX 501.

164. This prevents etching, or electro-deposition.

165. 584,531, issued 1897, DX 499.

166. Perhaps unnecessarily, Transcript, page 3322

Opinion.

United States Patent to McFarland[167] is directed to a process for etching and decorating metal surfaces. In addition to the conventional application of resists and plating, a further step is disclosed; the use of a metal as a plating and a resist.

United States Patent to Dejey[168] is directed to a process for engraving and etching metal. The design is transferred to plates or rollers with lithographic inks, and after washing, an electrolytic deposit of tin is made. Thereafter the lithographic ink is removed, and engraving is effected by subjecting the roller to an acid which does not attack tin, with or without an electric current.

Defendant's expert testified[169] that this was an additive metallic resist.

[87] United States Patent to Payne[170] relates to the preparation of surfaces suitable for photo engraving or photo etching. For converting a negative image into a positive image, or vice versa, metal is deposited on the plate with or without an electric current, the metal being one not affected by the etching solution to be used, and so protecting the metal plate where it is deposited,

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167. 1,750,418, issued March 11, 1930 on application filed December 5, 1928, for "Etching and Decorating Metal Surfaces." DX 500.

168. No. 797,668, issued August 22, 1905 on application filed August 3, 1904, for "Process of Engraving and Etching Metal." DX 507.

169. Transcript, page 3340.

170. No. 992,898, issued May 23, 1911 on application filed March 5, 1909 for "Preparation of Surfaces Suitable for Photo Engraving or Photo Etching." DX 508.

the gelatin or substratum resist preventing the deposit of the metal on the unexposed areas. When a suitable thickness of "metal resist"[171] has been deposited on the plate, the gelatin or substratum resist is removed, leaving the "metal resist"[172] on the plate which is then etched in the usual manner.

Defendant's expert testified[173] without objection that the Eisler disclosure in the '960 patent[174] described the same metallic resist process found in Stubbles, Dejey and Payne.

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171. Ibid., page 3, line 51. The words "metal resist" are in quotation marks in the original.

172. Ibid., page 3, line 55. The words "metal resist" are in quotation marks in the original.

173. Transcript, page 3483.

174. Column 6, line 61—column 7, line 6.

In the
United States Court of Appeals
For the Seventh Circuit

SEPTEMBER TERM, 1972 — APRIL SESSION, 1973

Nos. 72-1222 and 72-1223

BOURNS, INC. and MARLAN E. BOURNS,
Plaintiffs-Appellants and Cross-Appellees,

v.

ALLEN-BRADLEY COMPANY, BECKMAN INSTRUMENTS INC., THE BUNKER-RAMO CORPORATION, FAIRCHILD CAMERA & INSTRUMENT CORP., TRW INC. and WESTERN INSTRUMENTS, INC., on behalf of themselves and as representative of others similarly situated,
Defendants-Appellees and Cross-Appellants.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

70 C 1992

THOMAS R. McMILLEN, *Judge.*

ARGUED APRIL 5, 1973 — DECIDED JUNE 14, 1973

Before CLARK, *Associate Justice,** PELL and SPRECHER, *Circuit Judges.*

CLARK, *Associate Justice.* Appellants Bourns, Inc. and Marlan E. Bourns challenge the District Court's application of the doctrine of collateral estoppel as applied in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 (1971), to bar this patent

*Associate Justice Tom C. Clark, United States Supreme Court, Retired, is sitting by designation.

infringement suit which was filed in the United States District Court for the Northern District of Illinois against Allen-Bradley Company et al., appellees. Appellants alleged infringement of their "leadscrew actuated potentiometer," Patent No. 2,777,926 (the '926 patent). Among the defenses appeellees pleaded collateral estoppel based on the final judgment entered against appellants in *Bourns, Inc.* v. *Dale Electronics Inc.*, 308 F. Supp. 501 (D. Neb. 1969). After the Supreme Court handed down the *Blonder-Tongue* decision, appellees filed amended answers further alleging that appellants had voluntarily dismissed their appeal to the United States Court of Appeals for the Eighth Circuit on May 4, 1970, and moved for summary judgment. The District Court granted appellees' motion, holding that *Blonder-Tongue* governed this case and that the *Dale* decision had invalidated all claims embraced in the '926 patent. We agree that *Blonder-Tongue* bars appellants from relitigating the patent claims explicitly invalidated in *Dale*, but reverse the judgment below insofar as it bars appellant from relitigating the remaining '926 claims.

1. *The Dale Judgment.*

In the *Dale* pleadings Bourns had alleged infringement on the basis of its patent generally, *i.e.*, without singling out specific claims. Likewise, the defendants in *Dale* had counterclaimed for a declaration that the entire patent was invalid. However, the *Dale* judgment stated in relevant part:

> "2. Claims 1, 2, 11, 14, 15, 16 and 20 of the United States Patent No. 2,777,926 are invalid • • • •
>
> 7. The Amended Complaint is dismissed with prejudice, and the Amended Counterclaim is sustained to the extent indicated."

The District Court here found the *Dale* judgment ambiguous in its application to the '926 claims not explicitly mentioned therein. On the basis of several isolated statements in the *Dale* opinion (*e.g.*, ". . . the '926 patent is held to be invalid.") it concluded that the *Dale* court intended to hold the entire patent invalid.

We disagree with the District Court's interpretation and conclude that *Dale* is binding only as to the claims

specifically mentioned in its judgment. The opinion in that case begins: "Plaintiff relies upon claims 1, 2, 11, 14, 15, 16 and 20 of the '926 patent." Further down in the opening paragraph the opinion continues: "In determining the validity of the patent this Court must ascertain the essence and scope of the patent *as stated in the above-mentioned claims*." (Emphasis added.) Still further in the opinion the court says: "Commencing with the history and progress of this application through the patent office as finally embodied in claims 1, 2, 11, 14, 15, 16 and 20, it provides some insight into the scope of the patent." And in the judgment the *Dale* court again sets out these claims as invalid. We think it clear from these references that where the court referred to the '926 patent as being invalid, it was referring only to those claims specifically designated at the outset and re-stated in the final judgment. As Professor Moore teaches:

> [A prior judgment] operates as a collateral estoppel as to, but only as to, those matters or points which were in issue or controverted *and upon the determination of which the initial judgment necessarily depended*. [Emphasis added.]

1B Moore's Federal Practice 3777 (2d ed. 1965); and, as Judge Learned Hand explained almost forty years before, ". . . [collateral] estoppel extends only to facts decided and necessary to the decision." *Irving Nat. Bank v. Law*, 10 F. 2d, 721, 724 (1926). Since the *Dale* court's judgment by its terms did not depend on the invalidity of claims not specified in that judgment, appellants are not collaterally estopped from asserting the remaining claims of the '926 patent.

2. *Application of the Blonder-Tongue Collateral Estoppel Doctrine.*

Appellants also urge that collateral estoppel should not be applied to bar their raising the same patent claims that were declared invalid in *Dale*. They rely on the statement in *Blonder-Tongue* that "the patentee-plaintiff must be permitted to demonstrate, if he can, that he did not have 'a fair opportunity procedurally, substantively and evidentially to pursue his claim the first time.'" 402 U.S. at 333. Appellants argue that they lacked an incentive to

fully litigate in *Dale* due to (1) an alleged anti-patent bias of the Eighth Circuit, (2) the relative insignificance of the *Dale* suit, (3) new procedural advantages made available since *Dale* was begun, (4) the alleged greater hospitality of the Seventh Circuit toward patents, and (5) their reliance on the pre-*Blonder-Tongue* case of *Triplett* v. *Lowell*, 297 U.S. 638 (1936), which required mutuality of estoppel. We need not pause to discuss these claims. They are fully answered by the District Court, which correctly noted that appellants themselves chose the Nebraska forum; that the *Dale* court applied Supreme Court standards of patent validity as enunciated in *Graham* v. *John Deere Co.*, 383 U.S. 1 (1966); that the *Dale* litigation involved a potential recovery by appellants of approximately $1,000,000, and that "most if not all" of the evidence alleged by appellants to have been newly discovered was in existence and discoverable during the *Dale* litigation. The District Court concluded that appellants lost in *Dale* after a full and fair hearing and that the equities fully justify the application of collateral estoppel against them.

The District Court also concluded that the Supreme Court in *Blonder-Tongue* implicitly rejected reliance on its prior decision in *Triplett* v. *Lowell, supra*, as an adequate basis for avoiding the general rule fashioned in the later decision. *See Monsanto Co.* v. *Dawson Chemical Co.*, 443 F. 2d 1035 (5 Cir. 1971), cert. denied 405 U.S. 974 (1972). We agree. The *Dale* litigation was pending for seven years in a jurisdiction with no backlog; the trial itself lasted six days and produced a transcript of 610 pages; and the potential recovery was over $1,000,000. Thus, appellants had ample incentive to litigate the case to the end. True, the Supreme Court held in *Triplett* that collateral estoppel did not preclude "relitigation of the validity of a patent claim previously held invalid in a suit against a different defendant." *Triplett* v. *Lowell, supra*, at 644. However, in overruling *Triplett*, the *Blonder-Tongue* Court did not see fit to rule prospectively, though it has so limited recent rulings in other contexts where retrospective application would work hardship and inequity. *Phoenix* v. *Kolodziejski*, 399 U.S. 204, 213-215 (1970); *Ciprano* v. *City of Houma*, 395 U.S. 701, 706

(1969). Indeed, it specifically commented that in the end the use of the collateral estoppel doctrine "will necessarily rest on the trial courts' sense of justice and equity." 402 U.S. at 334. The District Court has carefully appraised the justice and equity of applying the doctrine here and has held against appellants. We have examined the record and conclude that its findings are fully supported therein.

Appellants dispute that they had full and fair judicial resolution of their claims. They suggest that they abandoned the *Dale* appeal in reliance on the *Triplett* rule. It may be that in some situations reliance on *Triplett* should relieve a patentee from the consequences of the *Blonder-Tongue* decision's new collateral estoppel rules. But the circumstances surrounding the *Dale* litigation, particularly the large potential recovery and the time and effort already expended, convince us that appellants would have pursued their appeal regardless of the *Triplett* rule had they held any reasonable expectation of ultimate success. Since appellants abandoned their appeal because they saw no reasonable chance of prevailing *on the merits*, we believe it equitable both as a general matter and specifically under the *Blonder-Tongue* decision to apply the estoppel rule established in that decision.

The judgment below is reversed insofar as it bars appellants from asserting the patent claims other than those explicitly declared invalid in the *Dale* judgment. In other respects the judgment is affirmed.

PELL, *Circuit Judge*, concurring in part and dissenting in part.

I concur in the majority opinion insofar as it reverses that part of the judgment of the district court which barred appellants from asserting patent claims other than those explicitly declared invalid in the *Dale* judgment. However, I respectfully dissent from the balance of the majority opinion.

In considering the contentions of the appellants that the judgment in the District Court of Nebraska does not collaterally estop them as to any claims of the patent asserted in the Northern District of Illinois, the following significant chronology should be kept in mind.

The decision in the *Dale* case, *Bourns, Inc.* v. *Dale Electronics Incorporated*, 308 F. Supp. 501 (D. Neb. 1969), was handed down on December 29, 1969. The original decision of this court in *University of Illinois Foundation* v. *Blonder-Tongue Laboratories, Inc.*, 442 F. 2d 769 (7th Cir. 1970), was issued on February 13, 1970, and was modified on denial of rehearing on April 2, 1970.

The appellants dismissed their appeal from the *Dale* district court decision in the Eighth Circuit on May 4, 1970. The complaint which was the fountainhead of the present appeal was filed in the Northern District of Illinois on August 11, 1970.

The opinion in the *Blonder-Tongue* case in the United States Supreme Court, *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313, was handed down on May 3, 1971.

The Supreme Court in *Blonder-Tongue* overruled a precedent which had been on the books since 1936, *Triplett* v. *Lowell*, 297 U.S. 638 (1936). *Triplett* indicated that "the rules of the common law applicable to successive litigations concerning the same subject matter" did not preclude "re-litigation of the validity of a patent claim previously held invalid in a suit against a different defendant." 297 U.S. at 644. This court in its original *Blonder-Tongue* opinion, while observing that it would seem sound judicial policy that the adjudication of a patent validity issue against the plaintiff in one action where it was a party would provide a defense in any other action by the plaintiff for infringement of the same patent, nevertheless stated, "That, however, is not the law in this field." 422 F. 2d at 772.

In essence, the majority opinion in the present appeal concludes that the district court carefully appraised the justice and equity of applying the *Blonder-Tongue* doctrine to the present case and upon so doing reached a correct result. I cannot agree with the initial premise for, as I read the district court's opinion, it concluded that the "justice in this matter is pre-empted by the *Blonder-Tongue* decision itself," and plaintiffs' reliance on pre-*Blonder-Tongue* decisions when abandoning their appeal "is contrary to the holding of that controlling decision which abrogated the prior law."

I do not read the controlling case so broadly. I note the following significant passages in the opinion of the Court. "The broader question is whether it is any longer tenable to afford a litigant more than one *full and fair opportunity* for judicial resolution of the same issue." 402 U.S. at 328. "But the case before us involves neither *due process* nor 'offensive use' questions. Rather, it depends on the considerations weighing for and against permitting a patent holder to sue on his patent after it has once been held invalid following *opportunity for full and fair trial*." 402 U.S. at 330. "Presumably he [the patentee] was prepared to litigate and to litigate to the finish against the defendant there involved." 402 U.S. at 332. "Rather, the patentee-plaintiff must be permitted to demonstrate, if he can, that he did not have '*a fair opportunity procedurally, substantively and evidentially* to pursue his claim the first time.' . . . This element in the estoppel decision will comprehend, we believe, the important concerns about the complexity of patent litigation and the posited hazard that the prior proceedings were seriously defective." 402 U.S. at 333. "'[T]he expense of defending a patent suit is often staggering to the small businessman.'" 402 U.S. at 334. (Emphases added.)

With further reference to the matter of expense if the *Triplett* rule were maintained, the Court observed the money expended in subsequent litigation could be put to better use, such as further research and development, and that subsequent defendants might determine it was preferable to pay royalties under a license rather than to incur the costs of litigation. 402 U.S. at 338.

The Court also adverted to the fact that there would be some saving of judicial time "if even a few relatively lengthy patent suits may be fairly disposed of on pleas of estoppel." 402 U.S. at 348.

Finally, the Court, since the issue had not been ventilated below, remanded the cause so that, *inter alia*, the patentee could have the opportunity to demonstrate "why an estoppel should not be imposed in this case."

In sum, the Court in *Blonder-Tongue* did not, as the district court seems to have done, lay down a hard and fast rule.

Assuming *arguendo* that the Supreme Court intended the sweep of *Blonder-Tongue* to be sufficiently broad to encompass all litigation the purpose of which was to relitigate a patent issue which had already elsewhere been found wanting, irrespective of whether that litigation was initiated before or after the change of the law, then applying the rationale which produced *Blonder-Tongue*, as specifically referred to hereinbefore, in my opinion the plaintiffs should not be estopped in the present case. Obviously, of course, they might well have been estopped if the litigation had been started after the rendition of *Blonder-Tongue*, but that is not the posture of this case.

Theoretically, the plaintiffs had an opportunity for a full and fair judicial resolution of the issue in *Dale*. Certainly they had the opportunity for a *full* resolution. All they had to do was to continue expending the not inconsiderable money which would necessarily have been involved in briefing and arguing in the Eighth Circuit and then pursuing certiorari in the Supreme Court. They did not choose to do so for reasons which I find persuasive and which are outlined in the majority opinion. Pursuing the litigation, of course, would also have put Dale to considerable expense. The plaintiffs were not prepared to litigate to the finish against the defendant there involved for the reasons indicated. Nor is the cost rationale of *Blonder-Tongue* brought into full play here. This is no case of a small businessman being forced willy-nilly into a licensing agreement. The very names of the corporate defendants would indicate otherwise; in addition, the action below was brought as a class action, presumably with the intent of putting an end one way or the other to the validity of the claims. Plaintiffs by their dismissal and their filing of the broad-breadth subsequent action were travelling economy class, as to themselves, the judiciary of the Eighth Circuit, Dale, and, to some extent, their individual prospective infringer-opponents.

While the plaintiffs had the full opportunity adverted to in *Blonder-Tongue*, it seems clear to me that we are not able to say with certainty that the second prong of fairness was equally present. It is obvious that new counsel who came onto the scene subsequent to the district court decision in *Dale* did not think so. The decision to dis-

miss the appeal and to file elsewhere against the remaining alleged infringers was made in the forepart of the year 1970, apparently about the time that this court decided that it did not agree with the result which had been reached on the patent involved in *Blonder-Tongue* by a district court in the Eighth Circuit.

The decision was made during the same period of time and the same patent litigation climatic conditions which compelled the chief judge of a district court in the Eighth Circuit to observe in *Woodstream Corp.* v. *Herter's, Inc.*, 312 F. Supp. 369, 370 (D. Minn. 1970), *modified*, 446 F. 2d 1143 (8th Cir. 1971), as follows:

> "The courtrooms within the province of the Eighth Circuit Court of Appeals do not afford a congenial forum to the holder of a United States patent. A reading of the decided cases clearly reflects this. It is especially true since 1966 following the Supreme Court's expressions in *Graham* v. *John Deere Co.*, 383 U.S. 1, 86 S. Ct. 684, 15 L. Ed. 2d 545. I can find no record of the Eighth Circuit Court of Appeals upholding the validity of a patent since *Graham*. It did so sparingly before *Graham*."

It may well be that all of the patent cases which happened to have been filed in the Eighth Circuit during the preceding decade were of a questionable variety and on that phase of the matter I do not comment. I do note, however, "the batting average" which competent counsel, relying on *Triplett*, must have taken into consideration. The same counsel could not have been unaware of the more favorable climate in the Seventh Circuit. See the discussion of the situation in the two circuits by this court in *Scam Instrument Corp.* v. *Control Data Corp.*, 458 F. 2d 885, 888 n.4 (7th Cir. 1972), in which it is indicated that the Eighth Circuit did sustain the validity in part of a patent in 1971. This, however, was subsequent to *Blonder-Tongue*.

While the foregoing discussion was based on the *arguendo* assumption that *Blonder-Tongue* is retrospective, I do not think that it was so intended, nor that the Supreme Court would reach the result that it is. The district court in the present case, however, had no doubt, observing that the "Supreme Court could have softened the blow

by ruling only prospectively in *Blonder-Tongue*, as it has done on several occasions." If the district court merely meant that the Supreme Court in handing down *Blonder-Tongue* could have specified that it was prospective only, I, of course, would have to agree. In so doing, however, I would also note that the Court did not specify that the change of the law was retrospective either. The issue simply was not reached, and I am at a loss for the basis of the confidence of expression of the district court that the decision was retrospective. If the district court meant that because collateral estoppel could be considered as a defense to the plaintiff's suit in *Blonder-Tongue* it must be always retrospective, which seemed to be a theory advanced by the defendants in oral argument, then I must certainly disagree with the result put forward by the district court. When new law is established or, more importantly, when existing law is changed, it always is retrospective as to the particular litigant who is unsuccessful. This is inherent, for courts do not customarily give advisory opinions. This is a far cry though from inferring that the decision is retrospective as to other litigants who were relying on the pre-existing law.

The tests for determining whether a "new" decision should be applied retrospectively have been the subject of judicial attention. Chief Justice Burger had occasion to advert to this facet of the law in *Lemon* v. *Kurtzman*, ... U.S. ..... (April 2, 1973) (Slip Op. at 5-6), in which it was stated:

> "Claims that a particular holding of the Court should be applied retroactively have been pressed on us frequently in recent years. Most often, we have been called upon to decide whether a decision defining new constitutional rights of a defendant in a criminal case should be applied to convictions of others that predated the new constitutional development. *E. g., Robinson* v. *Neil*, ... U.S. ..... (Jan. 16, 1973); *Adams* v. *Illinois*, 405 U.S. 278 (1972); *Desist* v. *United States*, 394 U.S. 244 (1969); *Stovall* v. *Denno*, 388 U.S. 293 (1967); *Johnson* v. *New Jersey*, 384 U.S. 719 (1966); *Tehan* v. *Shott*, 382 U.S. 406 (1966); *Linkletter* v. *Walker*, 381 U.S. 618 (1965). But 'in the last few decades, we have recognized the doctrine of non-retro-

activity outside the criminal area many times, in both constitutional and nonconstitutional cases.' *Chevron Oil Co.* v. *Huson*, 404 U.S. 97, 106 (1971); *Hanover Shoe* v. *United Shoe Machinery Corp.*, 392 U.S. 481 (1968); *Simpson* v. *Union Oil Co.*, 377 U.S. 13 (1964); *England* v. *State Board of Medical Examiners*, 375 U.S. 411 (1964). We have approved nonretroactive relief in civil litigation, relating, for example, to the validity of municipal financing founded upon electoral procedures later declared unconstitutional, *Cipriano* v. *City of Houma*, 395 U.S. 701 (1969), and *City of Phoenix* v. *Kolodziejski*, 399 U.S. 204 (1970); or to the validity of elections for local officials held under possibly discriminatory voting laws, *Allen* v. *State Board of Elections*, 393 U.S. 544 (1969). In each of these cases, the common request is that we reach back to disturb or to attach legal consequence to patterns of conduct premised either on unlawful statutes or on a different understanding of the controlling judge-made law than the rule that ultimately prevails."

tests for determining retroactivity are set forth in evron Oil Co. v. *Huson*, 404 U.S. 97, 106-7 (1971), as ows:

"In our cases dealing with the nonretroactivity question, we have generally considered three separate factors. First, the decision to be applied nonretroactively must establish a new principle of law, either by overruling clear past precedent on which litigants may have relied, see, *e.g.*, *Hanover Shoe* v. *United Shoe Machinery Corp.*, *supra*, at 496, or by deciding an issue of first impression whose resolution was not clearly foreshadowed, see, *e.g.*, *Allen* v. *State Board of Elections*, *supra*, at 572. Second, it has been stressed that 'we must . . . weigh the merits and demerits in each case by looking to the prior history of the rule in question, its purpose and effect, and whether retrospective operation will further or retard its operation.' *Linkletter* v. *Walker*, *supra*, at 629. Finally, we have weighed the inequity imposed by retroactive application, for '[w]here a decision of this Court could produce substantial inequitable results if applied retroactively, there is ample basis

in our cases for avoiding the "injustice or hardship by a holding of nonretroactivity.' *Cipriano* v. *City of Houma, supra,* at 706."

In an analogous situation this court recently considered the question in *Bendix Corporation* v. *Balax, Inc.*, 471 F.2d 149 (7th Cir. 1972), and concluded that the holding in *Lear, Inc.* v. *Adkins*, 395 U.S. 653 (1969), should not be applied retroactively. *Bendix* has particular significance here because in *Lear* the Court held that a licensee is not estopped to interpose the invalidity of the licensed patent as a defense to an action by the patentee-licensor to enforce the license agreement. The Court expressly overruled its 1950 holding to the contrary. The venerability of *Triplett* was fourteen years greater.

Applying the tests of *Chevron* to the present case: (a) a new principle of law was established by overruling clear past precedent on which litigants not only may but did in fact rely; (b) since litigants who have instituted lawsuits in reliance upon *Triplett* prior to *Blonder-Tongue* must of necessity be relatively limited in numbers, retrospective application would scarcely seem to further the operation of the principle enunciated; and (c) there is an inherent inequitable result if the principle is applied retroactively with injustice being avoided by a holding of nonretroactivity.

It is to be noted that the *Chevron* test refers to a foreshadowing of the result but does so only in relation to the decision of a case of first impression. If "writing on the wall" is operative in the situation of a change of law also, then, although the *Triplett* rule may have been questioned by decisions and commentators, I am unaware of any clear-cut indication from the Supreme Court on which a lawyer could advise his client to the effect that *Triplett* would be overruled. "Rumblings," as the district court referred to foreshadowing, is a chimerical basis for advice to a commercial client who in the conduct of his affairs requires predictability of as great certitude as possible if he is not to be exposed to unexpected and undesired expensive litigation.

As to foreshadowing, the situation was analogous in *Lear*, upon which Judge Sprecher commented in *Bendix*, 471 F.2d at 156, as follows:

> "In *Lear*, there was an express overruling of a past precedent. Although the Court noted that '[l]ong before *Hazeltine* was decided, the estoppel doctrine had been so eroded that it could no longer be considered the "general rule"' (395 U.S. at 664, 89 S.Ct. at 1908), nevertheless in *Hazeltine* the Court characterized it as the general rule. Whether *Hazeltine* was 'clear past precedent' to the Supreme Court in 1971, the unqualified pronouncement in that case undoubtedly made the doctrine clear enough to parties relying upon it from 1950 to 1971." [Footnote omitted.]

If foreshadowing is pertinent in the change of law situation, then it would appear to me that the present case presents a stronger basis for finding no clear and compelling presaging of the change than in the *Lear* situation, where there had already been substantial erosion of the set-aside doctrine in 1950 at the time the rule was recognized as the general rule, although it was not actually set aside for another 19 years.

I have adverted to the matter of advice of counsel in the commercial field and, in ultimate analysis, I find that the most persuasive reason for not denying the plaintiffs here their full day in court. The reasons are more compelling than the ordinary deference to precedent stated by Justice Cardozo, "Adherence to precedent must . . . be the rule rather than the exception if litigants are to have faith in the even-handed administration of justice in the courts."[1]

The essentiality of definite predictability was recognized by Mr. Justice Frankfurter in his separate opinion in *Monroe* v. *Pape*, 365 U.S. 167, 221-22 (1961), when, speaking of the civil rights case before the Court, he observed, "This is not an area of commercial law in which, presumably, individuals may have arranged their affairs in reliance on the expected stability of decision." Here the plaintiffs did arrange their affairs on what coun-

[1] THE NATURE OF THE JUDICIAL PROCESS 34 (1921).

sel justifiably could have taken as well-established law and they should not now suffer because of a subsequent change of that law.

The principle of continuance of adherence to precedent was overridden in its significance by policy factors deemed of greater importance in *Blonder-Tongue*. The resultant change of law, however, in my opinion, should not be controlling on the relatively narrow issue here involved in the situation of commitments made in reliance upon the prior law, which commitments were made prior to the change in the law.

A true Copy:

Teste:

.....

Clerk of the United States Court of Appeals for the Seventh Circuit.

Judgment of Affirmance.

UNITED STATES COURT OF APPEALS

FOR THE

FOURTH CIRCUIT

No. 72-1598

TECHNOGRAPH PRINTED CIRCUITS, LTD., and TECHNOGRAPH PRINTED ELECTRONICS, INCORPORATED,

Appellants,

vs.

WESTINGHOUSE ELECTRIC CORPORATION,

Appellee.

APPEAL FROM the United States District Court for the District of Maryland.

THIS CAUSE came on to be heard on the record from the United States District Court for the ..... District of Maryland, and was argued by counsel.

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the judgment of the said District Court appealed from, in this cause, be, and the same is hereby, affirmed.

FILED
Feb 20 1973
WILLIAM K. SLATE, II
Clerk

WILLIAM K. SLATE, II,
Clerk.

(Same judgment entered in plaintiffs' cases against Martin-Marietta Corporation, McDonnell Aircraft Corporation and International Telephone & Telegraph Corporation)

Order Extending Time for Filing a Petition for a Writ of Certiorari.

SUPREME COURT OF THE UNITED STATES

No. A-1063

TECHNOGRAPH PRINTED CIRCUITS, Ltd., et al.

v.

MARTIN-MARIETTA CORP., et al.

ORDER EXTENDING TIME TO FILE PETITION FOR WRIT OF CERTIORARI

UPON CONSIDERATION of the application of counsel for petitioner(s).

IT IS ORDERED that the time for filing a petition for writ of certiorari in the above-entitled cause be, and the same is hereby, extended to and including July 20, 1973.

/s/ WARREN E. BURGER,
Chief Justice of the United States

Dated this 23 day of April, 1973.